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NOTE TO READER

Appearing at the same time as the English edition are editions in the six other official languages of the Communities: Danish, German, Greek, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken: *(DA)* for Danish, *(DE)* for German, *(GR)* for Greek, *(FR)* for French, *(IT)* for Italian and *(NL)* for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

SITTING OF WEDNESDAY, 24 MARCH 1982

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IN THE CHAIR : MR DANKERT

President

(The sitting was opened at 5 p.m.)

1. Resumption of the session

President. — I declare resumed the session of the European Parliament which was adjourned on 12 March 1982.¹

2. Deadline for tabling amendments

President. — I would remind you that the deadline for tabling amendments on Mr Curry's report on agricultural prices expired yesterday, 23 March 1982, at 8 p.m.

I propose, as regards the report by Mr Hopper, on the mandate of 30 May, that we extend the deadline for tabling amendments until this evening, 24 March 1982, at 6 p.m.

President. — I call Mrs Castle.

Mrs Castle. — It is quite clear from our bulletin that the deadline for the Hopper report was also supposed to have lapsed at 8 o'clock yesterday. Therefore it is clear that in the case both of the Hopper report and of the Curry report, it is open to this Parliament to decide to change the deadline and I am moving, Mr President, that the deadline for amendments to the Curry report should also be 6 o'clock tonight. I do so for two reasons. One, I think we would agree that the Curry report is the main business we have got before us today. The fact is that that report in its amended form was not available to us until we arrived today and were able then to see what it was we were amending.

Now I had a number of amendments myself which I put before the Committee on Agriculture and it was impossible to re-table them until I knew the new order of the report and saw it in its amended form. Therefore, with the full support of the Socialist Group, I am

¹ Approval of minutes — Documents received — Authorization to draw up reports — Texts of Treaties forwarded by the Council — Order of business: See minutes.

Mrs Castle

appealing to this Parliament to give us time to put in amendments and to accept the fact that it would be quite intolerable for us to be expected to have amended a report which was not available in time for us to do it earlier. I move that very sincerely and I do hope that everybody in this Chamber who is anxious for this Parliament to function effectively will extend the same flexibility to the Curry report as is being recommended in the case of the Hopper report.

President. — I think, if I were to be very formal, you would have to propose it one hour before the part-session. I propose it now but I think it is within the agenda so from that point of view one could probably discuss it. I would point out that if your proposal is accepted, it will be impossible to have the debate with the amendments and it will be difficult to have the amendments ready in time even for the vote so it would create some problems on the order of the vote.

I call Mr von der Vring.

Mr von der Vring. — (NL) Mr President, I have difficulty in understanding the Rules of Procedure and the procedure you are applying here. Rule 53(3) states that on a proposal from the President, Parliament may fix a time limit for the tabling of amendments. The President can propose this time limit now and Parliament will vote on it. But how can the President today propose a time limit which elapsed yesterday?

President. — In the Minutes of the sitting of 12 March 1982 which you have just approved, you will see on page 48, paragraph 16:

On a proposal from the President, Parliament decided to set the deadline for tabling amendments to the Curry report on agricultural prices and the Hopper report on the 30 May mandate, entered on the agenda for this part-session, at 8 p.m. on Tuesday, 23 March 1982.

This was proposed and agreed at the last part-session.

A little while back I proposed that we extend the deadline for tabling amendments to the report. Further to Mrs Castle's request, I now propose that we also set for 6 p.m. this evening the deadline for tabling amendments to the Curry report.

(Parliament rejected Mrs Castle's request)

I call Mrs Castle.

Mrs Castle. — In view of that spiritless decision by this Parliament, refusing to defend the right of backbench MPs, can we refer to the Committee on the Rules of Procedure and Petitions the decision that in future a

deadline shall not be fixed for the tabling of amendments until we know on what date we are going to receive the report we are supposed to amend? I suggest it is quite intolerable — makes a nonsense of this already difficult place — to be expected to amend something one has not received. It makes a nonsense of the whole show and I am ashamed of my fellow-Britishers for not seeing it.

President. — Mrs Castle, I am quite willing to propose to the Committee on the Rules of Procedure and Petitions that they look into this problem. At the same time I have to say that we have 330 amendments already tabled.

I call Mr Forth.

Mr Forth. — I would have expected, Mr President, that you would also put to the vote your proposal for a change in the deadline for the Hopper report. Rule 53(3) says that on a proposal from the President, Parliament may fix a time limit. I must say, Mr President, you have not explained why you are making the proposal in one case and not in the other. So I would invite you to explain why you are making the change in the Hopper deadline and then put that to the vote as well.

President. — Yes, I can explain that. It was at the request of the Socialist Group that the chairmen of the political groups meeting this afternoon agreed to postpone the deadline on the Hopper report. I think it is technically feasible because there are not too many amendments on the Hopper report and Hopper will be discussed only tomorrow night so that the debate can take place with the amendments in the possession of the Members. That was the reason for which we honoured the request by the chairman of the Socialist Group. You asked for a vote on that. You are perfectly entitled to do so. I put the change in the deadline for the Hopper report to the vote.

(Parliament adopted the proposal to extend the deadline for tabling amendments to the Hopper report)

I call Mr Harris.

Mr Harris. — Mr President, further to Mrs Castle's point of order and her attack on the British Conservative Members, would you please confirm that the British Conservative Members in the European Democratic Group turned up yesterday and had a group meeting in order to determine their position on the amendments to be tabled to the Curry report? Presumably the British Labour Members in the Socialist Group could have done exactly the same.

President. — Mr Harris, you are right. The report was available on Monday and there were some groups,

President

amongst them yours, who discussed the amendments yesterday.

I call Mr Tuckman.

Mr Tuckman. — Mr President, I have a slightly different point, but also to do with the timing of our work. I have asked various people, including the Secretary-General of the Parliament, whether we could have the timetable for committee meetings during the second half of the year. There are those of us who also like to do our work with the electorate at large, and I am quite unable to say what I can and cannot come to. Could you help us in this, please?

President. — We will take up the matter with the chairmen of the committees to see what the situation is.

I call Mr Enright.

Mr Enright. — Rule 54 (1) (a) says that no amendment shall be admissible 'if it does not relate in any way to the text which it seeks to amend'. Will the President assure us that his staff will carefully examine all the amendments to the Curry report, because many of them were made before the final text of that report was available and therefore may prove to be absolute nonsense, and will he allow us to object to amendments if his staff do not manage to weed out the large number of those amendments which are clearly out of date and refer to the original and not the subsequent report?

President. — Yes, Mr Enright, that is a very legitimate idea. The services which deal with amendments will do that and get in touch with the groups in those cases where they think their amendments are not related to the text as now tabled.

I call Mr Diana.

Mr Diana. — (IT) Mr President, I do not think that this is anything new. Half an hour after the last meeting, which was also attended by Mrs Castle, I had the text of the Curry report by simply deleting the paragraphs which had been rejected and inserting the new ones ...

(Applause)

If Mrs Castle had done the same thing, she too could have had the text. I do not see that this is any different from previous occasions.

(Applause)

President. — Mr Diana, I take note of your statement.¹

3. Fixing of agricultural prices

President. — The next item is the report (Doc. 1-30/82), by Mr Curry, on behalf of the Committee on Agriculture on the proposals from the Commission to the Council (Doc. 1-1033/81) on the fixing of prices for certain agricultural products and on certain related measures (1982/1983). Also included with debate:

— Oral question with debate (Doc. 1-9/82) by Mr Diana and others, to the Commission:

Subject: The CAP and American methods of financing agriculture

At regular and increasingly frequent intervals, the Reagan Administration severely criticizes the Community, and particularly the CAP, for the subsidies it grants to its own farmers.

However, public intervention in agriculture is a well-established principle and a necessary one if the first and most fundamental need of the world's population is to be satisfied.

To this end, Article XVI of GATT explicitly authorizes export subsidies for basic products, even after processing.

A Commission delegation recently went to Washington to take part in a hearing on the CAP, scheduled to take place on 11 February at the American Senate.

1. Can the Commission inform Parliament of the outcome of this hearing?
2. Can the Commission give Parliament an account of the methods used to finance American agriculture?

— The oral question with debate (Doc. 1-10/82) by Mr Bangemann, on behalf of the Liberal and Democratic Group, to the Commission:

Subject: Monetary union and future of the CAP

Is the Commission aware of the contradiction between the stated desire to abolish MCAs and the recent introduction of new negative MCAs?

Does the Commission not believe that monetary union is vital to safeguard the CAP and therefore the Community?

Does the Commission not fear that too low an increase in prices will lead to an increase in national aids?

¹ Speaking time: See minutes.

President

Does the Commission not consider that, without greater convergence between the budgetary, monetary, financial and economic policies of the Member States, every fixing of farm prices will continue to be unfair for some Member States?

I call the rapporteur.

Mr Curry, rapporteur. — Mr President, the Committee on Agriculture has set a clear, sharp and urgent challenge to this House. It has voted for the CAP, the whole CAP and nothing but the CAP. It has set out a maximalist position. It has voted against any form of discouragement of production. It voted, at the invitation of the rapporteur, to abolish the dairy co-responsibility levy, but did not follow the rapporteur in setting a lower price-increase in this sector than proposed by the Commission. It voted for the extension of heavy support schemes to crops for which they do not presently exist, notably in the Mediterranean area. It voted for significantly increased protection against imports by means of levies, and it voted to impose import duties unilaterally, failing voluntary agreement, on certain imports in the sectors of oils and fats and cereals substitutes whose conditions of entry are bound by international treaty, including the GATT. The committee rejected the rapporteur's plea to recommend a sector by sector increase in prices and to resist the seduction of an average price increase. For this reason, it rejected all the rapporteur's proposed changes to the Commission texts themselves, arguing that its job was to set a general political indicator of the desired prices increase, not to be involved in its application. The amendment to set a general price increase of 16.3% according to the objective method, defined so as to permit some recovery of ground lost over the previous three years, was lost by a very narrow margin, and the committee voted for a 14% increase.

The proposals made by the rapporteur contain certain key elements which it is essential to outline if the committee's response is to be understood. The rapporteur's essential points were as follows. We should respect the principle that increases in spending on agriculture should not exceed increases in the Community's own resources in the interests of permitting policies in other areas to develop. But Parliament should bear in mind that its own constitutional power rests upon the right to determine to some extent policy priorities in non-obligatory expenditure and that the more resources are taken for agriculture, the less are available for other activities. The Community's financial liability for production should be limited by setting target quantities in line with the Parliament's own recommendation contained in the Plumb report. If this target is exceeded, automatic price cuts follow. Other points were the introduction of the principle of financing programmes for producers with particular social and economic handicaps jointly from each depending upon the ability to pay; the need to judge the level of price

increase necessary not only in the light of incomes but considering also the state of the market; resource transfers in any economy characterized by recession and unemployment, and the need to set agriculture within the context of the Community's international trading obligations both to the developed and to the undeveloped world.

These ideas were decisively rejected, and by rejecting these ideas and setting out such a coherent and firm statement of what I suppose one could call the unreconstructed CAP, the committee is clearly inviting the House to decide what sort of CAP it wants. The rapporteur's report is dead: long live the rapporteur.

(Applause)

I come, Mr President, to this House to bury the report, not to praise it.

(Laughter)

I shall therefore explain as fairly and as dispassionately as I can, not the details of the committee vote but the underlying reasons, which reflect passionately-held points of view, why the majority voted as it did. These, I believe, are the major preoccupations of the committee.

The pre-eminent concern was for farm incomes. These vary, of course, according to region and the nature of production. In 1981, while certain northern countries had significant gains in income, the decline in France, Germany and Italy was substantial. Over the past three years, France, Germany and the UK have suffered a steady deterioration, while Ireland went through a period of disastrous decline in incomes following relative gains up to 1978. These global figures disguise enormous variations from country to country and from region to region. Average farm incomes in Ireland and Italy are a third of those in Belgium and the Netherlands, and regional differences are as much as 1:4 between, for example, the Paris basin and the Limousin, in France. It was a particular preoccupation of the committee to try and compensate producers in those parts of the Community which suffered from particularly severe problems of inflation.

When it talks about income, the committee is not thinking merely about balances in the bank or even gold napoleons under the bed. It has in mind the flow of resources into the rural economy, which is essential to sustain employment and capital investment. Agricultural income constituted the blood vessels of the regions, and the maintenance of vigorous activity in the regions is a contribution to limiting the haemorrhage of young manpower to the towns, providing employment in the ancillary industries and encouraging stable social and political behaviour.

The committee was also much preoccupied with the conception of agriculture as a dynamic exporting

Curry

industry. If I had to encapsulate the issues on which there was greatest disagreement in the committee, I would choose the attitude to agricultural development. To some, agriculture is an instrument of broad economic policy, designed to earn foreign exchange. The committee's position can be taken further. Those who endorse the exporting vocation of agriculture believe that this vocation is being constantly thwarted by obsessions over budgetary cost and unnecessary scruples over the sensitivities of the United States and other food traders who pursue their own activities with the sort of dedicated self-interest the committee feels should inspire the Community's own policy-makers. Any curb on production implies, however indirectly, a lack of commitment to the notion of agriculture as a dynamic exporting industry. As for budgetary restraint, it is the committee's belief that the savings which have been made in recent years over the original agricultural estimates serve to give the lie to the demonology school of analysts, who see the CAP as an ogre devouring the Community's resources like the spirit conjured up by the sorcerer's apprentice who, once set to work carrying water, created a flood.

The committee also rejected curbs because it felt that the Community had no moral right to regard food production beyond market needs as a problem of surplus while there were starving people who faced not full stores but swollen stomachs.

The reverse side of this coin is the belief that the Community is guilty of wilfully neglecting the protection of its own market. It believes that the protection against imports is inadequate and that the persistence of this inadequacy represents almost a moral offence against Community producers to the benefit of foreign competitors who themselves are in receipt of political and financial support. The budgetary problems which the Community may encounter are seen by the committee as not the wages but the taxes of the sins of omission of Community preference.

There are also, I believe, in the minds of the committee two preoccupations which are held with particular force, one articulate and the other implicit. The articulate belief is that the agricultural policy is the central achievement of the Community and therefore the touchstone of belief in the European idea itself. Attempts to make fundamental changes in the CAP are seen as threatening the existence of the very Community. The implicit belief is a certain conception of the farmer. For many Members, the farmer, particularly the peasant producer on a limited acreage, symbolizes a particular vision of a hard-working family unit, the heirs of generations of sweat and toil, who work despite the vicissitudes of weather and natural disaster. These people are threatened in their very existence by forces that perhaps are beyond their understanding and certainly are beyond their control. The politics of energy, the movement of international currencies, and political conflicts on the international stage which impose alien imperatives on what, through

history and perhaps in naive retrospect, appear to have been simple questions of family economics. It is solidarity with the people in this vision which, I believe, is the emotional generator of the attitudes which have been expressed by the agricultural committee.

These arguments, Mr President, are what lie behind the committee's decisions. They are held sincerely, and the men and women who hold them are both humane and passionate in those beliefs. They constitute one vision of the CAP. There exists an alternative one, held no less sincerely, with no less vigour and humanity; and unless one credits one's opponents with honour and sincerity, politics becomes an activity for uncivilized men. Which vision is to be sustained is a fundamental task of civilized democracy. That is for this House now to decide.

(Applause)

President. — I call the Committee on Budgets.

Mr Adonnino, draftsman of an opinion. — *(IT)* Mr President, colleagues, the opinion of the Committee on Budgets dealt, of course, with the Commission's proposals.

The problem of price increases must be set in the context of the general problems of the CAP and, in particular, the question of checking and eliminating its anomalies. All these problems are, in turn, linked with budgetary problems since they are typical of the more general but fundamental financial problems of the Community.

One of the principles put forward in the replies to the mandate is that increases in agricultural spending should not exceed increases in own resources. Already, this has clearly been the trend over the past three years even though just now, despite the possibility of savings, it appears to be changing.

The Committee on Budgets has considered the financial and budgetary implications of the proposals. We emphasize that price increases are essential to maintain farm incomes — in some cases considerably reduced by structural and economic conditions. However, these incomes must be considered not only in themselves but in relation to other socioproductive categories, the various categories of agricultural producers and account must be taken of the differences arising from the location of the individual products in the various regions. It must also be emphasized that the increases should be within limits which will allow these objectives to be achieved and that the range of increases proposed by the Commission is therefore too restricted.

In order to highlight these ideas — which, indeed, we feel are in the spirit of the Curry report — we have tabled an amendment.

Adonnino

I should now like to make a preliminary observation: the price-increase proposals and related measures have both a qualitative and quantitative impact on the budget, even though it is difficult to say whether this impact is automatic or proportional. This is why we have tabled an amendment deleting a paragraph of the Curry resolution which states exactly the opposite.

I would also point out that the financial compatibility, which concerns us, cannot be assessed in relation to price increases alone but must also be considered with reference to the entire set of proposals which must, therefore, form an indivisible whole.

The monetary compensatory amounts undoubtedly have an important role to play, despite the many requests for their abolition. However, the economic situation, with its widely differing inflation rates, calls for instruments to remove — or at least reduce — the adverse effects of these on farm incomes, at least until the Community has a more complete and effective monetary system.

The Committee on Budgets has therefore expressed its approval in principle for a reduction in the MCAs without, however, specifying an amount.

I would point out that the 1982 budget, as adopted in December 1981, does not, except in minor respects, appear to have any obvious reserves which could be used to finance the Commission's proposals and that since 0.925% of the 1% VAT limit is already being used, the remaining margin is now very small indeed.

The Commission has said that its proposals could be financed either from existing CAP appropriations, if savings are achieved, or from a supplementary budget. For the reasons I have already mentioned, we believe that they should be financed from existing appropriations since we are convinced that substantial savings could be achieved in 1982 also, although the amount cannot be calculated without an earlier and more thorough forecast of market trends. We have already tabled an amendment to this effect.

The Commission has already stated orally, in reply to a specific question, that at the present stage it estimates possible savings to be in the region of 500/600 million ECU. In order to finance the entire set of proposals — taking account therefore of prices, the impact of the MCAs, related measures, the increase in own resources, the reserve already earmarked for the extension of butter consumption aid and, as regards the 1982 budget, for re-introducing, the MCAs at current values — 460 million ECU will be needed, while each further percentage point increase in prices will cost 57 million. In view of this, we have been able to give a positive assessment of budgetary compatibility.

I should like, colleagues, to make one further brief comment: it is essential to avoid new budgetary tension every year when the farm prices are being fixed;

the proposals must be submitted in good time, as allowed under existing regulations, so that assessment of them can be synchronized with the budgetary decisions. We have tabled an amendment to this effect.

President. — I call the Committee on the Environment, Public Health and Consumer Protection.

Mr Collins, chairman of the Committee. — Mr President, first of all I should apologise for the absence of Mr Berkhouver, who was the draftsman of the opinion for the Committee on the Environment, Public Health and Consumer Protection. He is unable to be with us, so I am really acting as his deputy.

Mr President, the current issue of the Economist magazine celebrates the silver jubilee of the European Community by remarking that the Europe of the Ten is moribund, largely because, they say, certain provisions of the Treaty are just not being applied. The Committee on the Environment has taken the view that Article 39 (1) (e) of the Treaty is one example of this. It states very clearly that one of the aims of the common agricultural policy is to ensure that supplies reach consumers at reasonable prices. Yet, Mr President, with prices still soaring above world levels and massive export subsidies required to dispose of surplus production, it can hardly be claimed that this clear commitment to consumer satisfaction is being taken into account in any serious way.

The Committee on the Environment, Public Health and Consumer Protection wants therefore to protest at the lopsided way in which the Commission has apparently been forced to retreat from its position as set out in its 1981 statement on the Mandate. At that time it appeared to recognize (a) that we need to come more into line with world prices (b) that we need to limit the open-ended guarantee to buy up surplus production and (c) that we need to consider other ways of meeting farm income demands. We in our committee looked forward to the detailed amplification of these aims. Instead, Mr President, we are disappointed. We are afraid that the common agricultural policy is once again in danger of being seen only in the narrow context of farm prices and hardly at all with the public concern about falling standards of flavour, quality and variety of product in mind, hardly linked at all with problems of nutritional value or with the problems of the environment.

Now we do not deny the right of farmers to earn a decent living. We support that right, but we do assert the right of the consumer to have healthy, nutritious, high-quality food and an environment to go with it. We have therefore tabled three amendments. The first of these demands that we see the need not just for a farm price policy but also for a food policy which involves a relationship between farmer, food processor, distributor and consumer and is therefore able to

Collins

identify the real cost to the consumer of direct farm price increases. We need consultation and discussion with all of these groups and we need the results to be openly published and debated. Our next amendment asks that this effect of farm price rises on food prices be followed through on a product-by-product basis, because only if this is done — and I may say that Parliament first asked for this in 1978 — will we be able to understand the true effects of the common agricultural policy. Finally, our last amendment argues and agrees that the co-responsibility levy on milk be simply abandoned, because the committee believes that it has signally failed to control milk production and that it has merely become another burden on the long-suffering consumer in the Community.

To wind up, Mr President, in the present economic climate we must surely recognize that we have a special duty, a special responsibility, towards the millions of unemployed and the millions of people in Europe who are living in abject urban poverty. A higher proportion of their income goes on food, and they are therefore more directly affected by the CAP than is the case with the wealthy. The present basis on which we operate simply means that through increased farm prices the poor farmer is helped by the poor in the cities while the rich, in the words of the song, continue to get the pleasure. That cannot go on. So we recommend — although I must say in all fairness that we have not put down an amendment to the effect — that Article 39 (1) (e) of the Treaty be published, framed and distributed, so that it can be hung in the office of every official of the Agricultural DG and every Foreign Minister in the Community.

President. — I call the Committee on Development and Cooperation.

Mr Cohen, draftsman of opinion. — (NL) Mr President, it is a sound custom of Parliament each year on the occasion of the agriculture debate to seek the opinion of the Committee on Development and Cooperation. This year the procedure has been a rather difficult one because the report of Mr Curry, the rapporteur of the Committee on Agriculture, was not available in time. I do not therefore have any great illusions that the Committee on Development and Cooperation would have been in a position to influence the deliberations of the Committee on Agriculture, which after all is the purpose of an opinion. I do hope, of course, that we in our Committee shall be able nevertheless to exert an influence during this debate on the final vote on the Curry report and that some of the ideas put forward by the Committee on Development and Cooperation will nevertheless be adopted by Parliament.

I do not feel that it is a superfluous luxury to allow the Committee on Development and Cooperation to add its voice to such a debate. In fact our task would have

been a lot easier if the Commission had responded to the request we made a year and a half ago in the so-called Ferrero Resolution for a report demonstrating the influence of the Community agricultural policy on the developing countries and its importance to them. We have been promised that report repeatedly, but a year and a half has passed and we still do not have it. I think that the Commission has been seriously at fault in this matter. Parliament as a whole made it clear during the debate on hunger in the world — for this Resolution was adopted virtually unanimously — that the Community's agricultural policy is also of importance to the developing countries. We therefore emphatically urge that the Commission produce this study without delay.

As far as Mr Curry's Resolution is concerned, we only considered those aspects which are of concern to the developing countries. These amount in fact to three products on which we have tabled thirteen amendments, for we feel that a number of statements in Mr Curry's resolution are genuinely unacceptable to our Committee. They are unacceptable, because the Community's price policy and, in particular, the level of production are of such enormous importance to the developing countries. We cannot and must not continue — it is in our own interest — to give those countries nothing but disadvantages, while we know that we need them as markets and that we must also provide facilities for them to export products to our Community. The report of the Committee on Agriculture repeatedly draws attention to the shortage of food in the developing countries. The Committee on Development and Cooperation knows only too well that that is an immense problem. That is why we had the debate on hunger in the world. But we also know that some developing countries are in a position to export food, and we cannot continue to close our frontiers to the products which these countries are able to export. For this reason, Mr President, the Committee on Development and Cooperation has tabled amendments under the headings of sugar, cereals and fruit and vegetables. I shall probably have an opportunity tomorrow in another capacity to deal with those amendments in more detail.

President. — I call the Council.

Mr De Keersmaecker, President-in-Office of the Council. — (NL) Mr President, ladies and gentlemen, you will not be surprised if I begin by saying, as a former Member of Parliament, how pleased I am to be present at this important debate on the fixing of farm prices for the 1982-83 selling season. I have already had an opportunity to exchange ideas with the Committee on Agriculture on all the problems you will be discussing today and tomorrow, and I can assure you that this exchange of views was of great value to me in the discussions which have taken place in the meantime in the Council and in the talks I have had with

De Keersmaecker

many of the agriculture ministers. I am also glad to have been here to listen to the explanatory comments from the rapporteurs, Mr Curry, Mr Adonnino, Mr Collins and Mr Cohen.

I should also like to say that the Council appreciates the fact that you have managed the timing and organization of your work on the preparation of Parliament's opinion in such a way that the Council is able or should be able to complete its work in good time. That is indeed a question that everybody is asking: will the Council be in a position to take an early decision at a single meeting, i.e. its next meeting? As President of the Council, I can assure you that we shall do everything in our power to make it possible. And I might add that there is a certain consensus on this matter among my colleagues, the ministers of agriculture. This does not alter the fact that the Council is aware of the very great difficulties which arise, particularly on two points. Let us begin with the problems surrounding the mandate, some of which have been put forward, even in the past, as preconditions for the fixing of prices — and on which no decision has yet been taken. Some movement has since taken place in the Council of Foreign Ministers which holds out the prospect of an early decision by the Council. On the other hand, we are also aware of the fact — and I am the first to acknowledge it, since I am in the process of seeking additional information in the Member States — that there are many hidden difficulties in the various price proposals and positions (particularly those of the Member States) and many conflicts of opinion exist. But in any event, it is absolutely vital that we reach a decision and that we do so soon, for the sake not only of the producers but also of the future of the European Community, in which this agricultural policy plays such a crucial role.

I should like now to look more closely at a few essential points on which you have adopted opinions worthy of consideration in the parliamentary report. The first problem of course relates to farmers' incomes, which have been deteriorating for a number of years, the seriousness of the decline depending on the country and region concerned. The causes of this general decline in farming incomes are many and complex. They have to do with the general situation in our economy, with the divergences which have existed to some extent since the 1973 crisis in the economic and financial policies of our countries, in which different inflation rates have divergent effects on production costs, with the budgetary policy pursued and with the policy on trade with third countries. We should regard these various causes as factual data and try to incorporate them into our decision-making process. The level at which prices are fixed of course plays a fundamental role in the business of maintaining incomes at an acceptable level. But then we see how many different proposals there are on how to do this. Some Member States take the view that 9% is already more than enough. The farmers' organizations say 16.3%. The Committee on Agriculture — and we shall know

shortly what the European Parliament as a whole will say — proposes 14% and the Commission 9%. We in the Council of Agriculture Ministers have to process all these facts and data into a reasonable proposal. The figures proposed, of course, constitute an average percentage, which must be looked at more closely for each sector and must be related to the particular circumstances prevailing in the various sectors with regard to market situation and market equilibrium. For it is clear that the level of prices plays a major role in market equilibrium. On this point, the situation appears to be more favourable this year than in previous years because we have been able to sell certain quantities of dairy produce and grain on the world market.

As well as prices, production must also be kept under careful surveillance so that markets are not distorted and, for this purpose, the Commission is proposing production control mechanisms. But, in their turn, these measures to control production cannot be applied without at the same time taking into account a number of other factors such as existing production potential, sales possibilities, the tragically familiar problem of hunger in the world and, finally, the budget problem too. With no wish to pre-empt the discussions in the Council of Ministers which, as you know, are due to start next week, it is clear that all these factors must be taken into account, while at the same time the need to secure farming incomes must be in the forefront of our deliberations.

What I have just said about farming incomes and the level of prices leads me straight on to two other important problems. The first one concerns the monetary compensatory amounts. Everybody agrees that this is a disruptive element in the agricultural policy of the European Community and everybody knows of the agreement which was reached in the Council in March 1979 to discontinue the MCAs as quickly and as systematically as possible. There is general agreement on this question, but that does not alter the fact that there are many difficulties here too. One of these is the problem of the positive compensatory amounts with which we are confronted and which we all understand. It is difficult to justify any fixing of prices at a time when the monetary compensatory amounts are being dismantled without a simultaneous increase in the incomes of the farmers and producers of the Member States concerned. That much is clear. The producers in those countries which find themselves in this situation as a result of agri-monetary developments and disruptions are just as respectable as the other producers. Nevertheless within these limitations and taking these factors into account, a serious effort must be made to abolish or to limit the existing compensatory amounts as far as possible. I am sure you will understand that, at this stage, I cannot elaborate further on this question, which involves some particularly delicate aspects. I can say, however, that this will quite definitely be one of the crucial points in the negotiations and that, as President, I shall be guided by the consen-

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sus and agreement which already exist in the European Community on this question.

Another problem is the repercussion of the Community's agricultural policy on the budget. In my opinion, the situation in that area at this time should not be presented in too dramatic a light, and we should not succumb to the temptation to work on hypotheses which are too rigid. It is frequently claimed that too much weight is given to agricultural policy in the Community budget. But are those who make such claims not forgetting that the agricultural policy is practically the only policy which is the Community's own and that it also forms the cornerstone of European integration? And I believe that it is the Council's duty also to take these political considerations into account. I shall not enter into any lengthy discussion of the question which is raised in some quarters whether expenditure on agriculture should rise in proportion — and to what degree — to the increase in Community resources or whether it should remain below that level. The important thing for me is that we take this into account in fixing prices and the various premiums and support measures, so that expenditure on agriculture for the coming selling season remains within reasonable limits in relation to the budget as a whole. And, as I have said, in my opinion this is possible in terms of the present market situation. Exercising control also means looking ahead and, for this reason, the Commission is considering the introduction of so-called guarantee thresholds designed to secure better control of markets and to prevent the accumulation of the notorious large surpluses of the past. The Council will study these proposals in detail and will assess them in the light of what I have just said. I shall now deal with some specific questions which will certainly be claiming the attention of Parliament and, of course, the Council too. Firstly, the problem of co-responsibility in the milk sector. Coresponsibility has existed for a few years but has now given rise to conflict. It will be the concern of the Council to steer a middle course between those who point to its economic efficiency and those who draw attention to the problems of the small producers who are not responsible for the biggest increases in production. It is our difficult task to find a fair means of resolving the conflict between these two opposite views. Another important problem relates to the so-called *acquis communautaire*. And the question is whether we should attempt to find a solution to all these problems simultaneously. I do not think that that is possible, not least because the Commission has not produced any precise overall proposals. It is possible, however, that solutions may be found for some subsidiary problems which, moreover, are closely associated with certain aspects of the price proposals. We should think ourselves lucky if this proved to be the case, but we should be warned that it would be wrong to try to solve all problems down to the last detail in conjunction with the fixing of prices, since this could call into question our time limit, the absolute maximum deadline for fixing prices. This does not alter the fact that, with regard to the prob-

lems of the *acquis communautaire*, we must make progress as rapidly as possible. The question has been asked — not without justification — whether a new balance does not need to be struck between the products of the Mediterranean countries on the one hand and those of countries situated more to the North West on the other. Moreover, a solution needs to be found to this problem as soon as possible in relation to the enlargement of the Community.

There are a great many other questions but, at this stage, I want to stick to the essentials. My first concern is to listen to you, to note your suggestions and to report your views to the Council. As far as I am concerned, I shall, in the light of what I said at the start and with the support of the Commission in the person of Commissioner Dalsager, do everything in my power to ensure that satisfactory decisions are taken within the deadline envisaged, on the assumption that the will exists both in the Council and in the European Parliament to maintain the Community agricultural policy and to improve it as far as possible. I myself and the entire Council of Agriculture Ministers are conscious of our historic responsibility in this regard on this occasion of the 25th anniversary of the European Community, and I call on the European Parliament to be my witness in this.

(Applause)

President. — I now propose to close the list of speakers which, as I have already mentioned, numbers 77 names. I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, President-in-Office of the Council, ladies and gentlemen, I should like first of all to thank Mr Curry and the other rapporteurs for their speedy and effective work in preparing Parliament's annual debate on farm prices. I know that they had less time to deal with the proposals than they had hoped, and I would also have preferred them to have more time. This is due to circumstances which were not really within the Commission's control. Nevertheless Mr Curry and his colleagues in the Committee on Agriculture have produced a detailed report in a space of only eight weeks, and I greatly appreciate such an achievement.

However, that does not mean, Mr President, that I can recommend that Parliament adopt this proposed resolution. The draft presented by the Committee on Agriculture, in the Commission's view, has shortcomings affecting many important points. I am not saying this simply because the resolution departs from the Commission's proposals. Despite the good relations which I feel I have with Sir Henry and his Committee, it would have surprised me if the Committee had been in agreement with the Commission's proposals in every respect.

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What bothers me is that the proposed resolution is at variance with the views which Parliament has clearly expressed on many occasions. It is not in agreement with the Resolution on improvements in the Community agricultural policy which Parliament adopted in June last year. It is also not in agreement with the Resolutions on the 1982 budget which Parliament adopted in December last year. If the resolution is adopted, therefore, it will undermine the positions and strategy which Parliament has already placed on record.

I therefore suggest to you, Mr President, and to the Members of Parliament that you carefully consider during this debate whether there should not in the present situation be greater consistency with earlier votes taken and resolutions adopted here in Parliament.

If Parliament is to have an influence on the development of the agricultural policy — I believe implicitly that it should have an influence — it must be ready in its pronouncements on farm prices to give effect to declarations of principle and long-term objectives previously stated by it. In this endeavour, the Commission is Parliament's ally, not its opponent. We have framed our proposals in the light of resolutions adopted by Parliament. We wish to help Parliament and we would like Parliament to help us by doing what is necessary to get the Council to take the right decisions, so that the agricultural policy will be strengthened and not weakened in the years to come. Parliament must, together with the Commission, lead the way in promoting changes and improvements. The Commission has always taken the basic principles embodied in the Treaty into consideration in the adjustment which has been proposed for the common agricultural policy. We have an obligation to secure reasonable farm incomes. We also have an obligation to ensure that consumers have supplies of food at reasonable prices. Parliament and the other institutions share in this obligation. But neither the interests of the farming population nor those of the European public at large will be safeguarded by a static and inflexible policy and an unwillingness to accept change. On the contrary, there is a need for a dynamic policy and a willingness to adjust the instruments of the common agricultural policy so that they are able to meet the challenge they will have to face in the future.

Before I deal with more detailed questions, I would remind Parliament of the background and principles underlying the Commission's proposals this year. They are based on two factors: the need for a suitable increase in prices to meet the needs of our 8 million farmers and their families and secondly the need to organize production along better lines for the sake of our 270 million consumers. These two factors — prices and production — go together; they cannot be separated. The Commission is convinced that the Community must set reasonable prices for its farmers, but we are also convinced that these price increases are

only possible and reasonable if we take steps to control the level of production in accordance with the Community's objectives. That is the view which we presented in our Memorandum of October 1981 — Guidelines for Community Agriculture — in which we laid down detailed plans for agriculture in conjunction with the Mandate. It is the view that Parliament took in its Resolution of June 1981. It was relevant then and it continues to be relevant now. This year, therefore, we have proposed a series of price increases combined with measures concerned with controlling the production of the various products. We propose 9% for most products, the lowest increase being approximately 6% for grain and the highest being 12% for certain Mediterranean products. In the first instance, this means a better price structure for our farm products, with lower prices for grain in the animal feed sector and better prices for Mediterranean products in which there are no surpluses. I think that is precisely what Parliament was thinking of in June last year when it voted for a correct price structure, as it was termed.

Secondly, it means a price increase close to the average rate of inflation in the Community, which is estimated at between 10% and 11% in 1982. I think that is a good and reasonable basis for the raising of farm incomes, when we take into account the economic difficulties facing many other sectors and wage negotiations which are being conducted just now on the basis of figures below 9%. I realize, Mr President, that the farmers' organizations have demanded 16% on the basis of figures calculated by the objective method.

I must make two things quite clear to Parliament: firstly, calculations by the objective method give rise to extreme variations in results — between 4% and 15%, depending on what allowance is made for exchange fluctuations in the year just ended. In other words, the objective method no longer supplies a single valid figure on which price decisions can be based under prevailing conditions. Secondly, the situation on the farm product markets simply does not permit us to go ahead with price increases of such a size, when the Community's own income is growing at a much slower rate. Parliament must give very careful attention to these facts when it comes to assessing the 14% or 16% figures we shall be hearing about during this debate.

The second main element in our proposals is the introduction of production thresholds for a number of important products — grain, milk, rape and processed tomatoes. What we are proposing here is that targets should be set which correspond to the quantities of these products which it is in the Community's interest to produce and to which the full price guarantee will apply. If production exceeds the thresholds, the guarantee should be altered or reduced in such a way that the farmers share in the costs of disposing of the surplus produced. This important element corresponds precisely to what Parliament itself voted for in June last year, when it called — and I quote, Mr President

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— for 'the introduction of a combined Community quota for the individual sectors in conjunction with production targets; over and above this quota, producer co-responsibility must take effect.' The Commission is therefore supporting you with its proposals. We now call on you to support us — and not to set aside the guidelines which you yourselves have adopted. It would indeed result in an absurd situation if you adopted point 7 and other points in the draft resolution.

Mr President, it is customary and only right that the Commission should state its position with regard to each of the points of factual detail in the draft resolution which is being debated here. Do not take it amiss if on this occasion I do not follow that rule. It would be quite impossible for me to comment on all 88 points, many of which are quite technical. For example, the Commission has good technical grounds for disagreeing with the proposal under point 75 that the price increase for rice should be graded according to the different varieties, with a higher price for varieties such as Superfino Cristallino. We are studying this question, and we should like to be able to apply a price variation but, at this stage, it is simply not technically possible to do so, and certainly not in conjunction with this year's prices. I shall therefore merely comment on some of the major policy questions and apart from that say that, in regard to a number of other questions, we hold the same views in some cases — but not in all cases — as Mr Curry in his draft resolution. Points 12-20 of the draft resolution are concerned with milk. What is being sought is the immediate abolition of the co-responsibility levy for milk and direct support amounting to 120 million ECU to small farmers.

Allow me to point out to Parliament that the Commission itself does not regard the co-responsibility levy as a perfect or adequate means of resolving the problems arising from imbalance in the milk sector. But the levy is there, and it has played a part in improving the market situation. It has provided income for the Community budget and has thereby made it possible to finance worthwhile market expansion.

The Commission's recent proposals for a reduction in the milk co-responsibility levy from 2.5% to 1.5% for the first 60 000 kg of milk also provides a means of giving support to farmers amounting to some 120 million ECU and of giving it in a way which, seen from an administrative point of view, is simple, quick and easy. An exemption or reduction of this kind is much to be preferred to the introduction of new forms of direct income support, which will involve more bureaucracy and more expenditure. I would also point out to Parliament that the abolition of the levy and the introduction of direct support, as proposed in the draft resolution, would mean additional expenditure for the EAGGF of 385 million ECU under the 1982 budget and 600 million ECU for a full year.

For all these reasons I have to say that I consider such a resolution unwise and irresponsible, and I ask you once more to consider this question very carefully.

Points 21-29 of the draft resolution are concerned with grain. I regret to say that these points and, in particular, point 21 do not give a reasonable picture of the Commission's proposals. We have never proposed that the European Community's prices should be aligned once and for all with prices in the USA. What we have proposed is a gradual reduction in the price discrepancy over a period of years. We have taken the first step this year with a price increase of 6% for Community grain, compared with 9% for other products. At the same time, we have proposed a production threshold of 119.5 million tonnes for the coming season. This represents not a reduction but an increase in production over that of recent years. I would ask Parliament to support us in this policy which is aimed at gradually reducing the relative price of grain. I ask you to help us in fixing a reasonable production threshold.

To be quite frank, Mr President, if Parliament cannot support us on these points, it cannot continue for much longer to give the impression that it wants to bring about realistic improvements in the agricultural policy. Allow me to give another concrete example: I am seriously disturbed by the fact that Parliament's Committee on Agriculture is unable to accept the Commission's proposal on limiting support for durum wheat to the first ten hectares. The Commission's intention with this proposal is to concentrate support on the small producers. I do not know, for example, whether Parliament fully realizes that a producer with 200 hectares of durum wheat will receive between 40 000 and 50 000 ECU as support for his production alone. Over and above this support, there are the usual support mechanisms.

I find it incomprehensible that Parliament, which is otherwise keen to control expenditure in the agriculture sector, can accept direct support to big agricultural producers which can involve such relatively large amounts.

I would also draw your attention to the fact that the argument for rejecting the Commission's proposals is incorrect. There is no discrimination. The Commission has proposed that support should be given to all for the first ten hectares.

Points 30-39 set out a number of conditions relating to the import of cereal substitutes. Here the Commission has already recorded some good results: an agreement has been reached with Thailand on the voluntary limitation of manioc exports, and negotiations with other manioc exporters are making good progress. We think that the necessary measures should be taken to control imports of other substitutes, and we have started discussions on these questions with the United States

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administration. We can, therefore, go along with this part of the resolution on many points.

But allow me to clarify a few things in connection with two points. In contrast to what is stated in point 34, the Commission is firmly of the opinion that a lower relative price for Community grain in the long run will make these substitutes less attractive. With regard to point 35, I hardly need point out to Parliament that many of these substitutes, as far as the Community is concerned, are covered by GATT, and we have to observe the existing GATT rules on this point.

Points 53-60 of the draft resolution are concerned with beef. An improvement in the market situation has taken place in this sector because the Community has moved into a downward phase in the production cycle, but consumption remains low because of the economic situation. The Commission therefore thinks that it would be a mistake to abandon the careful price policy and has therefore proposed a price increase in two stages. We cannot run the risks involved in laying greater emphasis on intervention, which is an expensive measure. From the moment fresh beef is delivered to the cold storage plant, its value is reduced and a loss to the Community budget can be entered.

Also, we must not use intervention as a permanent means of converting fresh beef to frozen beef for processing. For these reasons, the Commission must reject the proposals contained in points 54 and 60.

With regard to Mediterranean products, the Commission has itself proposed price increases above the average for those products where the market situation allows such increases. I am glad to see that the draft resolution goes along with this policy. But I must again warn Parliament of the risks involved in excessive recourse to intervention in preference to putting our trust in the market for these products. This is why we cannot accept the demands in respect of olive oil set out at point 74 and of tobacco at point 78.

Finally I should like to say something about the general purport of points 80-88. The Commission has been asked to analyse the effect of different inflation rates on farming incomes in the Member States. I must ask you to bear in mind, however, that the results of the study which we recently carried out on this problem show that the increases in farming incomes in the period up to 1981 in countries with high inflation rates were not necessarily small compared with other countries. For example, Italy has enjoyed relatively good progress in farming incomes since 1973 because of frequent devaluations in the green lira, and it must not be forgotten that Italy has already had an increase in farm prices for the coming season in terms of national currency of 2.5% above the Community prices, as a result of the green devaluation which was decided in November. In this package, we proposed a further devaluation of 2.5%, but the currency changes which were made a short time ago provide scope for a fur-

ther 1.3%, so that Italy may get an increase in lira prices which will in total be 6.3% above the proposed increase in Community prices as a whole.

I draw attention to this to remind Parliament that by winding up the monetary compensatory amounts we can vary the price increases in order to take the level of inflation into account, and that that is what we have in fact done over the years. With regard to Greece and Ireland, which also have high rates of inflation but have not, up to now at least, had the same opportunity for taking advantage of green devaluations, we are currently examining the problem. Let us be clear about the following, however, regarding this problem of inflation: The Community must in the long term give priority to better coordination of economic policy and policy in other fields in order to reduce the rate of inflation and its variations from one Member State to another. Only in this way can we create the right conditions for a lasting improvement not only for agriculture but also for the other sectors of the economy.

One of the central points in this debate seems to be the average increase in Community prices. The Commission does not think it of value to concentrate the discussion on the average. We have proposed increases ranging from 6% to approximately 12%, although for the bulk of products we have proposed 9%. For the reasons I have already stated, we think that this is a reasonable basis. We could not have proposed lower increases since we wish to promote the development of farming incomes on a more satisfactory basis. One of the risks of which we are conscious is that of growing state subsidies. We agree with Parliament that greater discipline is needed in respect of state subsidies to agriculture. But clearly the political basis for measures to promote this must be a reasonable increase in prices and incomes. At the same time, we could not propose price increases which were above the average rate of inflation in the Community.

I think Parliament will agree with me that it would be absurd to base our price policy on the abnormally high rates of inflation from which some Member States suffer. It would distort our common policy, and with the green devaluations of which a number of Member States can take advantage — now including Belgium, Luxembourg and Denmark, following the devaluations of their currencies last month — it would result in excessive increases in consumer prices. For these reasons, I ask Parliament to think very seriously about the problems which an average increase of 16% or 14% would create.

There is another reason to exercise caution, namely the consequences for the budget. I have already mentioned budget expenditure in connection with the part of the draft resolution concerned with milk. If we look at the resolution as a whole, including the 14% price increase and rejection of production thresholds, the Commission estimates that, compared with our own proposals, it would result in extra expenditure of

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approximately 700 million ECU in 1982 and 1 300 million ECU over a full year. I would point out to you that these are net figures, with the increase in our own receipts resulting from higher import levies taken into account. The additional expenditure would otherwise be 800 million and 1 600 million ECU respectively. This increase in costs flowing from the resolution of the Committee on Agriculture would be three times the increase resulting from the Commission's proposals. Our own proposals would give rise to a net increase in expenditure of approximately 400 million ECU in 1982 and 800 million ECU over a full twelve-month period.

We think that, with the savings which can still be made in the 1982 budget, it should be possible to finance this expenditure without a supplementary budget.

What is more to the point, however, is that, if Parliament supports the general line in the resolution of the Committee on Agriculture, it would make it very difficult to carry through the restructuring process specified in the Mandate. The Community's credibility would suffer grave damage if Parliament in this agriculture debate adopted a resolution which will mean a substantial increase in Community expenditure in the agriculture sector and perhaps 24 hours later called for a better balance in the use of the Community's resources. A resolution based on the report of the Committee on Agriculture would mean a future increase in expenditure on agriculture which exceeds the Community's own future income. I do not think that this is what Parliament wants or is prepared to vote for. But if Parliament does this, the Commission will lose an important ally in the pursuit of the mandate.

In conclusion, I therefore ask Parliament to take a more moderate stance with regard to this year's prices and to support the Commission's proposals for improvements in the policy on agriculture. We have had long debates on the theory and principles of the agricultural policy, both in the Commission and here in Parliament. We have staked out our objectives, and it is now time to have done with polemics and to convert words and ideas into acts and decisions. I urge you therefore to reach these decisions in the course of your debate and vote in conformity with the true feelings of this House, which it has expressed on previous occasions and which must be acted upon for the sake of the future.

(Applause)

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call the Socialist Group.

Mr Glinne. — *(FR)* Mr President, ladies and gentlemen, I would be going much too far if I suggested to you that there are no differences of opinion within the Socialist Group on the subject of farm prices. We have had our disagreements and arguments; I do not find this phenomenon particularly unusual because shades of opinion and contradictions will be found in the political groups on all sides of this House. The Members who will be speaking later on behalf of the Socialist Group will be explaining the majority and minority opinions which prevail in our political family. The controversy, such as it is, relates to the action to be taken immediately; on the other hand, there is a broad consensus within our group on the longer-term goal.

I have already had occasion in the past, particularly during the agricultural part-session in March 1980, to explain the fundamental principles on which we are agreed. In the first place we want — and this is our unanimous wish — to protect and assist family farms. Here our main concern is for the social status of these farmers and for the improvement of their standard of living. With that end in view, we have tabled an amendment seeking to introduce income support for farmers.

Our second principle is this: we want the Community to be given the means of pursuing a determined policy to improve the employment situation, to restore full employment and ensure the development of the poor regions hit by agricultural or industrial decline. In this connection we keenly regret — as we have said on previous occasions — the Council's lack of political resolve and the confusion prevailing in the Commission over the introduction of a new industrial policy and the creation of a European social area. With those objectives in mind, we should like specific measures to be taken for the least-favoured farming regions, most of which are to be found in southern Europe and in mountainous areas. In those regions where there are no alternative jobs, we should like employment in the agricultural sector to be guaranteed so as to ensure that farmers are not obliged to leave their land and join the immense army of urban unemployed in the Community today.

Our group is therefore essentially pursuing two aims for the common agricultural policy: firstly to safeguard the earnings of farmers and other agricultural workers — here we have in mind not only smallholders and farmers but also farm workers who are sometimes forgotten; secondly, we wish to ensure that consumers are assured of adequate supplies of good-quality products at reasonable prices.

If employment in agriculture is to be safeguarded we believe that the Community's position on the world market must also be secured; to this end, our import policy and also our policy of exports towards third countries must be the subject of careful scrutiny.

Mr President, we are also of the opinion that the action taken in the past by the Community has not been

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sufficient or equal to the real needs in that it has concentrated on the problem of farm prices without giving sufficient attention, let alone finding solutions, to structural problems of the markets or production. We really do not believe that the problems — which are real, deep-rooted and serious — of European agriculture can be solved by a policy focused exclusively or primarily on prices. The price policy must be backed up by a broadly based social policy and also by a structural policy; similarly, instruments must be created to make an effective contribution to the improvement of the agricultural situation in the different countries and regions, the aim — and we concede that it is very difficult — being to strike a balance between production and potential markets, bearing in mind the export and import problems to which I referred previously.

Mr President, may I conclude this general introduction to the statements by other Members of my group by reminding you that agriculture has always been one of our central concerns — and so it remains today. Socialists in all the Community countries have always fought to defend the interests of workers including those active in the agricultural sector: tenant farmers, farm workers and smallholders; we want to see their incomes effectively guaranteed.

(Applause)

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Tolman. — *(NL)* Mr President, may I begin with a word of thanks to the Rapporteur, Mr Curry, who had to move mountains at very short notice and has done so ably. Also a word of thanks to the President of the Council, Mr De Keersmaeker. I listened to him with particular approval, the more so when he emphasized that he would use his best endeavours to ensure that a decision is taken before 1 April. That is how it should be and I am very glad that Mr De Keersmaeker has left no room for misunderstanding on that point. I listened with somewhat less pleasure, Mr President, to Mr Dalsager, but that will become apparent from what I have to say on behalf of our Group. We are not, as of this moment at least, pursuing the same line. What I am happy to report is that our Group takes part in this debate with one mind, that we have achieved full unanimity in the EPP on the broad essentials, and that is an important matter.

The debate on farm prices, and following on from that, the debate on agricultural policy is of importance not only to agriculture but also of course to the consumer — Mr Glinne has already referred to this aspect — and to employment. That must not be the last of our considerations.

In my brief discussion of the Commission's proposal, I shall be guided by three factors: in the first instance

the development of the incomes of those who work in agriculture; secondly, the consequences for the budget and, thirdly, the consequences for the levels of production which may result.

With regard to the first point, income development, considerable divergence in trends has been observed in the past year. There are even countries — particularly in Southern Europe — in which the decline in incomes has continued unchecked. And that brings me to the view of our Group which I wish to present: we feel that the Commission's proposal is unsatisfactory. We feel that it is unsatisfactory in the light of the cost increases which have taken place and we also consider it unsatisfactory in view of the still considerable extent to which farmers' incomes are lagging behind. My Group, I wish to stress, is calling for an increase in farm prices of 14%. We are of the opinion that the time for resounding phrases about agriculture and those who work in it is over and that it is now time to turn those fine words into deeds. The years that lie behind us have been characterized by the surpluses, but those years are gone and we must now take a clear stand. We must realize that, if we opt for what is termed a moderate proposal — and what is moderate? — we shall be faced with major problems. The results of pursuing a bad policy for a number of years can now be seen in France. This cannot be accepted any longer.

The second point, Mr President, is what consequences will a price increase of 14% have for the budget? What are the possibilities and where is the limit? Those are important questions. But I must tell you that we hold our mathematicians inside and outside the Group in rather less respect at the moment. The trend over the past year has taught us that lesson. It is not possible by a simple linear calculation to work out what a 1% increase will mean for the products. That can provide material for some lively discussion, but what has become apparent in the past year is that there is a clear connection, and we know it, with the situation on the world market, the sales possibilities. This is also a crucial factor in the level of refunds. We have been lucky in the past year, Mr President. We are of the opinion that, even with the adoption of a price increase of 14%, we should not be faced with insuperable difficulties as far as the budget is specifically concerned.

Now comes the third point, Mr President, and it is not without importance: the danger that a price increase may have certain consequences for levels of production. In that context, I would refer to two instruments which could check any undesirable expansion in the volume of production. Our Group — and we have discussed it at considerable length — favours the maintenance of co-responsibility. It does not favour the maintenance of the 2.5% co-responsibility levy without qualification — I shall have more to say about that later — but the maintenance for the time being of the principle of the co-responsibility levy. I know that Par-

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liament generally speaking does not care much for a broad-based co-responsibility levy but, as far as the existing co-responsibility levy in the dairy sector is concerned, we feel that it should be maintained. In this connection and in matter of endeavours to check any excessive growth in production, I would also refer to a new element in agricultural policy. We are after all — some people do not seem to realize it — entering a new phase of development, that of production targets. We take a positive attitude to the introduction of production targets, Mr President. It is perhaps not the time to stop and deal in detail with this question — that can be done in conjunction with a major debate on agriculture; but we are prepared, Mr President, to pursue new developments in this field. There would then be a dual braking system to deal with any undesirable growth in production: the maintenance of a low or slightly higher co-responsibility levy and the adoption of production targets. By this means, sufficient — I stress, sufficient — guarantee is built into the system to guard against any undesirable production levels. By this means also, we think that destructive and ossifying elements in the Community agricultural policy, such as quotas and superlevies, can be discarded. My Group is therefore of the opinion that the line taken by it is also the right one. We certainly do not feel that the agricultural policy needs to be fundamentally changed, but we remain open to adjustments in the policy. We think that a 14% price increase is highly desirable at this moment and that in that context — for it is an average increase — special attention needs to be given to Mediterranean products.

Mr President, Europe is in the privileged position of having sufficient food. Sufficient food: that is to say, at all times and at reasonable prices, which people are able to pay. We must ensure that we also have enough food in order, if desirable and necessary to continue our food aid. These are important elements to which we want to give a great deal of attention.

(Applause)

President. — I call the European Democratic Group.

Mr Provan. — I do not intend to take 17 minutes, but, Mr President, Commissioner, President-in-Office of the Council, colleagues we meet in general economic recession and there are many calls on budget finances and we all have a very difficult role to play in the decisions that we have to reach. But we firmly believe as a group in free and fair competition. If we set farm price levels too low we will encourage further illegal national aids. If we set prices too high we will create conditions for the production of surpluses and added storage costs. Prices should be fixed, we believe, as a safety net, not only for the farmer but also for the consumer. As a farmer, I know that somewhere the consumers have to be considered because they are our

customers. Somewhere the taxpayer has to be considered as they pay part of the bill that guarantees the consumer constant supply.

As a farmer, and as a member of the Committee on Agriculture, I happen to believe it is my job to make certain that the industry gets proper room for manoeuvre within the Treaties. Farm incomes have been reduced since 1974 whilst other incomes have moved ahead.

The consumers have many avenues to explore in looking for savings. Every year they mount a voluble onslaught against farm price increases that have only a part to play in the overall cost of food. If you consider that in some cases the raw material, cost of food is only 10% of the selling price, then you understand what I mean. Before leaving this point it should be made clear — and I congratulate all concerned: farmers, processors, wholesalers and retailers — that in my own country food price inflation has been one-half of the general inflation rate in the last year: a considerable contribution, therefore, Mr President, in the recession that we all face.

I am glad to hear from the President-in-Office of the Council that there has been movement towards a settlement of the British contribution to the budget, which thus revives hopes for progress for the whole Community. It ought not to be necessary to link farm price proposals with the question of the mandate and budget contributions and we keep them separate in this Parliament, Mr President. Farm prices are negotiations that take place every year, and we have a commitment under the Treaty to discuss them.

The Commission proposals in arriving at the budgetary costs make three assumptions.

First increasing world prices; second income from co-responsibility levies, and, third, the reduced cost of MCAs.

I would doubt any two of these assumptions being achieved in total, far less all three of them. We cannot accept the continuation of the milk linear co-responsibility levies, nor the proposals *vis-à-vis* MCAs. But I think the Commissioner must come clean about what he is talking about on co-responsibility. When we in the Committee on Agriculture discuss co-responsibility we mean the linear levy on milk. When we talk about a limitation on production, perhaps we are talking about some other form of levy that might come in as a tax to control production.

Whilst one can fully accept economic convergence in the Community, one cannot at the same time allow free and fair competition to be discredited and washed overboard. Free and fair competition is paramount in the future of the Community. If, because of inflationary policies pursued by some Member States, the non-inflators are to be penalized, the whole question

Provan

must be looked at. Whilst I can accept that farmers in countries with high inflation will require greater help, we must not get into the position of index linking inflation, as to do so would be to fuel further inflation in the Community.

On the price proposals, my group seeks limits on the products that are in structural surplus and a prudent price policy in those sectors. We want to achieve the abolition of the linear co-responsibility levy on milk and allow the consumer to benefit from cheaper products, thus reducing the surplus. We feel some form of super levy is required as it is essential to give some form of economic signal to the producers that restraint is required. Aids to consumption should not at this stage be reduced, and the suggestion in the proposal to do so would worsen a reducing uptake, making it more expensive. In the end it is likely to be false economy since reduced consumption will lead to increased intervention.

If I can turn to cereals, we understand the proposals to seek convergence of world prices and Community prices in this sector. We believe them to be correct. I believe it will not be difficult to achieve as the Americans will have two options open to them when they face up to the replacement cost of energy. Either they will have to increase the price of their produce or else they will produce less. Whichever it is, we shall see a coming together of the cereal prices. There is a good case for convergence, Mr President, as restitutions will be reduced thus having a beneficial effect on the budget, whilst at the same time allowing a better balance between the arable and the livestock sectors.

I am worried about the changes that the Commission is proposing, however, on the specific weights for barley. Certain areas in the Community will be discriminated against and an abatement of intervention price is not acceptable. We would like to see this proposal withdrawn and the specific weight return to 66 kilogrammes per hectolitre.

Cereal substitutes are, of course, of concern also — especially manioc. Manioc has a low protein level and it has to be supplemented. Protein is deficient in the Community and whilst encouraging greater production at home, it does not make sense to have to import protein to balance a cereal substitute that is also imported. What we want to see is voluntary restraint agreements being signed, and as soon possible, so that any production targets fixed in the Community are seen to be fair to all parties.

As far as oils and fats are concerned, we cannot accept any form of taxation on imports. But Brian Hord, my colleague, will be covering that subject later.

As far as the beef sector is concerned, there is a serious decline in the beef herd and current stronger market conditions are being caused by scarcity. Whilst one may not like the reduced levels at which intervention is

available, most of us, I am sure, would rather be in the position we are now in and not therefore require intervention at all. Thus a commercial policy is operating. Any reduction in dairy cows will have an effect on the beef market and we need encouragement of specialized beef cattle rearing. This should be enhanced by the Commission, thus helping to reduce the structural oversupply in the dairy sector. The proposed reduction of the EEC contribution to the suckler cow premium is, therefore, not good policy. From a practical point of view, it is unfortunate to have a two-stage increase in the price proposals in the beef sector. The poorer hill farmers will suffer again, and we hope that the whole amount can be implemented at the beginning of the year. The fat cattle price dictates the store cattle price and the less-favoured areas should not be treated in such a way.

To sum up, Mr President, we want to encourage a commercial attitude to the agricultural sector. A 9% increase will be within the present budget of the Community. A 14% increase needs a supplementary budget this year. Let us grow and produce for a market, not for intervention. We cannot keep isolating ourselves from the realities of the world. We can, and must, understand each other's problems, but we need a balance between the interests of our Member States. Some can produce maize and durum wheat in plenty, whilst some less-favoured can only produce sheep from their hills. We basically support the Commission proposals in the belief that they will provide a safety net whilst allowing a commercial market to maintain the industry.

(Applause)

President. — I call the Communist and Allies Group.

Mr Vitale. — *(IT)* Mr President, colleagues, this debate on farm prices ends a year of discussion of the common agricultural policy. The year began with Commissioner Gundelach's reflections on the policy, continued with the debate last summer on a review, based on the Plumb resolution, and finally, we had the proposals for reform set out in the Commission's report on the mandate of 30 May. Taking the British problem as their point of departure, these proposals put forward — albeit timidly — certain guidelines for change: a plan for the reabsorption of surpluses, gradual alignment of Community cereal prices with world prices and measures to improve the balance of production and farm incomes within the Community, particularly with regard to Mediterranean products.

We believed that this compact set of discussions would lead to a commitment by the Council, the Commission and Parliament itself, to seriously consider the reform of the common agricultural policy which we Italian Communists have been seeking for years; but alas, this was not so.

Vitale

The Commission is proposing an average price increase of 9% for both surplus products like milk and products in short supply like durum wheat and olive oil. This increase, which excludes only a few products, confirms by its very uniformity all the existing inequalities and makes no attempt to use the price policy as an instrument to restore sectoral, regional and social balance.

The Council, for its part, is more divided than ever and the Governments are wavering between budgetary problems — involving the request for compensation — and the temptation to resort to de facto renationalization of the common agricultural policy.

And lastly, Parliament too — that is the Committee on Agriculture — has played its part by requesting a price increase of 14% which, taking into account possible devaluations either in terms of green currencies or change in parity, would raise the level of prices and guarantees — at least in some countries — to well over 14%.

We must recognize that we are now in a blind alley and that no matter what price increase we adopt, we will still be preserving the inequalities linked with the actual mechanisms of the common agricultural policy. We must realize that we are heading straight towards renationalization of the policy which is increasingly coming to resemble a drifting mine and could well shatter European integration.

It is for this very reason, to open up a future for Europe, that we Italian Communists are yet again proposing not merely a price increase but a mechanism for determining this increase which would take account not only of the need to increase farm incomes but also of the varying situations and differing economies. In other words, we are proposing that the increases should be calculated in relation to the average inflation rate for the last year — 11 or 12% — and that, on this basis, the compensatory amounts for countries with high inflation rates should be worked out and those for countries with low inflation rates reduced. We feel that this proposal could turn the price policy into a means of restoring balance and could serve to defuse the mine represented by the injustices of the common agricultural policy. The compensatory measures in question should not take the form of subsidies or grants but should be aimed at curbing production costs. Secondly, the Community must take responsibility for granting operation credit which could act as an essential means of varying Community support on a regional and social basis according to the different situations in which farmers operate. This mechanism should naturally, in our view, express political will for the restoration of balance within the Community and for different relations both inside and outside the Community. It follows from this that the Mediterranean programmes and the entire set of structural measures should be implemented without delay and that the most important question of the scope of the finan-

cial commitments should be discussed in the context of the farm price negotiations, without any conjuring tricks which could induce us to vote now in a way which would make a decision on this subject impossible in the future.

We have incorporated all these proposals in an appropriate amendment which, unlike others whose sole concern is price increases, adopts the only line which, in our view, will allow us to escape from the blind alley at the end of which — let me repeat — lies renationalization of the common agricultural policy. The course we are proposing is the only one which, by moving towards reform of the common agricultural policy, will allow Europe — and we must face this fact now — to survive the diverging national interests which today threaten the Community's very existence.

(Applause)

President. — I call the Liberal and Democratic Group.

Mr Louwes. — *(NL)* Mr President, you and my colleagues have a right to know where we in the Liberal Group stand in this plethora of paragraphs, proposals and amendments. I intend this evening to explain some principles by which we are guided in the matter. Other members of my Group later on will go into more detail on the subject or will provide comment on other problems.

First the situation on the incomes of farmers, the direct producers: farmers' incomes have been in decline for a long time, and it is a tragic state of affairs. All the figures bear this out. I do not need to elaborate any further on that. This is no longer consistent with social justice, Mr President, and you know that social justice is something we as liberals care very much about. We wonder how it can have gone so far, how farmers can have been so tragically left behind in the development of incomes. I think the answer to that is clear: in the first place, the farmers, and many traders and self-employed business people along with them, do not have a stake in the social policies of the Member States with regard to the so-called transfer of incomes. The redistribution of resources from taxation and social levies. By way of illustration: the revamped agricultural policy of 1982 carries a budget of 11 000 million ECU. In the country I come from almost 30 000 million ECU are spent on transferred incomes, the bulk of which is drawn from social levies. Almost three times as much is thus spent on transferred incomes in a small Member State as is allocated to the entire European agricultural policy. And in my country, the self-employed get little or no benefit from this transfer of incomes. I think that is one of the reasons why farming incomes have lagged so far behind and are continuing to do so. The second reason is of course the very conservative price policy pursued over the past three years in our Community.

Louwes

Mr President, the figures are clear; our conclusion is also clear: agriculture — in order to pay for work, in order to have funds to invest and in order to keep workers in employment — needs more than has been allocated to it in the past three years. It is a matter of justice. That is why we support the COPA demand based on the objective method, not only to compensate for the rise in costs but also, at last, to recover the lost ground in incomes. I would refer those who raise a hue and cry over the budgetary consequences to the figures I have just mentioned, which really put things into perspective, and to the remarks of the President-in-Office of the Council, hardly an hour and a half ago, in which — please note — the President of the Council, who has always shown great concern for the budget, warned us against dramatizing these effects. I should like personally to express my thanks to Mr De Keersmaecker for that.

A second point that I should like to touch on is the cereals policy: the Commission, already in its reactions to the mandate and again in the price proposals and ancillary arrangements for 1982-83, envisaged a five-year adjustment of European grain prices to bring them into line with those of the United States. Commissioner Dalsager said this afternoon that the attitude adopted by the Members of this Parliament to this adjustment would be a test of how seriously they want changes in the agricultural policy.

Mr President, I will make our position clear: a relative reduction in grain prices will lead to a reduction in yields. Grain production is no longer high in this Community and the theory of marginal cost and marginal yield implies that a reduction or relative reduction in the price of a given product will also lead to reduced production. On the other hand, consumption of grain will increase because its price has fallen. We shall both consume more grain and produce more animal products (milk, eggs, meat and I don't know what else). That is the only possible outcome, I would have thought. And, since we ourselves shall be producing less, that will mean more imports, and the Commission thus arrives at precisely the opposite of what it is trying to achieve. But there is more. Grain prices which are lower in relative terms will lead to an increase in the cultivation of all kinds of crops. You don't need to be a trained economist to understand that. Once we are no longer able to keep grain production at the right level, we cannot give much consideration, for example, to grazing land yield or to the production of feed maize. Here too, production will become less intensive. I believe that we must apply the theory of alternative costs in this instance, and I know no better theory. This development too emphasizes what I said about grain: more consumption, less production, more animal products and more grain imports. We therefore reject this philosophy of the Commission and, if the Commissioner thinks that we are not concerned to bring about a serious adjustment of European policy, then that is his conclusion, but I await his reaction with interest.

Production targets and co-responsibility, my third subject. Like the Committee on Agriculture, we have difficulty in accepting linear, undifferentiated co-responsibility levies and the fixing of production targets in a more or less arbitrary manner. Along with Commissioner Dalsager and the rapporteur, Mr Curry, we are in favour of a consistent position. We seek that consistency by adhering to the position we took up during the debate on Sir Henry Plumb's report last year on the adjustment of the agricultural policy. On that occasion we said in an amendment, which was adopted, that we agreed with production targets on a Community basis and that we felt that the co-responsibility levy should be geared to the quantities produced over and above those targets. We do not see any of that in the Commission's proposals. We are bound to reject the relatively arbitrary fixing of production targets combined with a policy of keeping the frontiers wide open — although we are not altogether opposed to this in itself. The arbitrary fixing of production targets and wide open frontiers means that the farmers, the direct producers, will bear the full brunt of the financial consequences. As I have said, we favour a consistent policy on this question, but we should like it to be pursued in a more careful, more prudent and more effective way than emerges from the proposals which are before us now.

Mr President, I have one minute left: I should like to use it to say that I join with the President-in-Office of the Council in hoping that some movement has taken place on the question of the British contribution and that we shall after all see the farm price proposals for 1982-83, with all the associated measures, finalized within a few weeks. I should also like to join with Mr Tolman in paying tribute to the stalwart manner in which our rapporteur has performed his task. Our rapporteur has proved to be a very hard worker, he has kept us exceedingly well informed and his analyses have been of great value. Finally, his loyalty to his colleagues in the Committee on Agriculture, even when they disagreed with him, was also strong. A word of thanks then, Mr President, to the rapporteur as well.

President. — I call the Group of European Progressive Democrats.

Mr Mouchel. — (FR) Mr President, in presenting its farm price proposals to our Assembly, the Commission begins its introduction as follows:

'The Commission believes that the price decisions for the 1982/83 marketing year should be capable of ensuring a satisfactory growth of agricultural incomes in real terms. An inadequate increase in farm prices, and hence in incomes, might jeopardise the future of the common agricultural policy.'

And it goes on:

Mouchel

'The high level of interest rates and of inflation in general is seriously affecting the economic situation of agriculture.'

Or:

'With a figure of 12.8% in 1981, the increase in costs in the agricultural sector will probably have been slightly higher than the rate of inflation in the economy as a whole.'

However, it is strange to hear the Commission say at the same time on the subject of agricultural incomes that 'the decline in the purchasing power of agricultural incomes since 1978 is primarily attributable, against a background of high inflation, to a policy of price containment' although the fact of the matter is that the Commission itself has always wanted even smaller price increases.

In brief, we note that the 12.8% increase in the costs borne by farmers in 1981 was higher than the average increase. We note that the average rise in production prices in 1981 was over 14%; finally, I would remind you, in case you have forgotten, that in the past four years farmers' incomes have fallen by between 20 and 56% depending on their country.

After noting these figures we might have hoped that the Commission's price proposals would take account of this sad reality. Instead, an average increase of only 9% is being proposed. Is the Commission making these proposals to sweeten the pill of decisions on slightly higher price increases which may be taken by the Council? This is not the way for the Commission to improve its standing with farmers or with the genuine advocates of Europe. Nor is it the best way of utilising the agricultural potential which exists in the European Community. If on the other hand we take no interest in world food shortages this may be the right approach. If we believe that the security which comes from self-sufficiency in food supplies is of no importance or that the influx of ruined farmers on to the employment market is immaterial, then, it is true that the policy of low prices which is in the process of destroying our agriculture is a good policy. But we do not subscribe to it. We maintain that a 16.3% increase in farm prices, resulting from application of the objective method, is imperative; and we are convinced that, by seeking to ensure the development of agriculture, we are defending the true interests of Europe.

Let the Commission make no mistake about it: European farmers look upon its proposals as nothing short of a provocation. Moreover, the Commission is trying to apply the conclusions reached by it on the mandate of 30 May and, in the absence of an opinion by the Assembly and Council, it is seeking acceptance for its own ideas. It is trying to turn our debate today to its own advantage by persuading the Assembly to adopt a fourth principle of the common agricultural policy at a time when the three others are not yet being applied:

its new principle is that of Community production targets accompanied by a generalised co-responsibility levy.

Is the Commission not trying to force our hand and that of the Council of Ministers since it is perfectly clear that no serious analysis has been made of the consequences of a general co-responsibility levy? That levy has in no way attained the objective for which it was introduced, namely the reduction of production. In reality, co-responsibility is being treated as a way of squeezing money out of farmers instead of pursuing a new policy. It would surely be preferable to apply the three basic principles of the common agricultural policy: uniform prices, Community preference and financial solidarity. This implies that monetary compensatory amounts must be dismantled at a faster rate and that certain practices which limit the competitiveness of European farmers must be stopped.

How can we try, by introducing a generalised co-responsibility levy, to limit the guarantees offered to farmers at the very time when certain products still enjoy unrestricted access to the Community? Under the GATT agreements over 30 000 tonnes of beef and veal which we did not need entered the territory of the Community last year. If political reasons justify such agreements there is no reason why farmers should suffer the consequences. Would we still hear talk of over-production if Europe were cut off from its external sources of supply of products for human consumption and animal feedstuffs? On the contrary, a vast effort would then have to be made to develop our own agricultural production.

And so before giving our farmers a complex about over-production, let us please begin by reducing our own imports — especially those of substitution products, soya, manioc and maize gluten, most of which come from the United States which can hardly be classed among the developing countries. If encouragement were given to high protein products, agriculture could on the contrary usefully help to improve our balance of payments position. To this end we need price increases higher than those proposed in the Curry report for this type of product. Would we still hear talk of dairy surpluses if we had to produce milk without using imported feed cake or if we had a comprehensive policy on oils and fats with an effective Community regulation for vegetable fats? We naturally do not wish to return to a situation of splendid isolation, even on a European scale, but our frontiers must not be opened in one direction only, to imports. We must also give incentives and assistance to our undertakings in their efforts to win external markets. This presupposes, in particular, the continuation of programmes to dispose of dairy products and the re-introduction of aids for oils and fats based on butter. Agriculture is necessary for the equilibrium and economic prosperity of the Community. But it cannot perform its true role if farmers know only too well that their efforts will lead them down the path to ruin.

Mouchel

Mr President, to enable agriculture to play its full part, the EPD Group is asking for the average increase in farm prices to be set at 16.3% from 1 April. We also want intervention prices to be fixed at a level which will allow an effective increase in these prices and we maintain that automatic intervention should be restored. Secondly, we want to see protection for our market against third countries, especially in the case of pig meat. Thirdly, we believe that the introduction of a general co-responsibility levy must be rejected and that the Commission, and the Council, must respect and ensure respect for the three fundamental principles of financial solidarity. Fourthly, to the extent that a co-responsibility levy is at present collected on some products, we consider that the funds collected in this way should be administered jointly through association between representatives of the producers and those of the European institutions since co-responsibility means shared responsibility.

Mr President, ladies and gentlemen, at a time when the problem of world hunger should be mobilising our energy, a selfish approach which discourages European farmers from producing more would be intolerable. At a time when agricultural production often shows tragic shortfalls throughout the world it would be against the interests not only of farmers, but of all Europeans if we were to fail to use the natural resources of our countries to improve our balance of payments position and increase our political influence. Finally, at a time when the process of European unification is being threatened both within and beyond our frontiers, it would be political suicide to destroy at a single blow or through insidious erosion the only common policy which exists: the common agricultural policy.

Because we want to see Europe playing its role on the world stage we believe that effective action must be taken for the benefit of the most needy, and because we are aware of the importance of the common agricultural policy for the future of European unification, we say that we would not allow the common agricultural policy to be destroyed and that we shall continue to promote the cause of a prosperous European agriculture.

In conclusion, Mr President, we welcome the report submitted in its present form by Mr Curry to our Assembly because, with a few exceptions, most of this document reflects the positions which our group has always adopted. We particularly welcome the final 88th paragraph of the Curry report, which we endorse, calling upon the Commission to amend its proposals on the basis of this resolution pursuant to Article 149 of the EEC Treaty. It is in that spirit that our group will take part in the vote next Friday.

(Applause)

President. — I call the Group for the Technical Coordination and Defense of Independent Groups and Members.

Mr Skovmand. — *(DA)* Mr President, the Community cannot take all the credit for the fact that the fixing of the agricultural prices gave rise to fewer problems this year than usual. The Good Lord and Mr Brezhnev also had a hand in it. The Good Lord saw to it that the weather in the Soviet Union was worse than in previous years and, since food prices are not fixed with the weather, they had to buy more abroad than usual. That caused prices on the world market to rise, and that in turn eased the Community's problems. When prices on the world market are only slightly lower than in the Community, it becomes less expensive for the Community to dispose of its surpluses of meat and dairy produce, and so more money is available to put to good use, whether we prefer, like the Commission, to give the farmers 9% or, like the Committee on Agriculture, to let them have 14%. But this situation can hardly last. The weather may improve all over the world, and the Community agricultural policy may therefore soon be in crisis again.

It is rather amazing that the Commission is apparently not aware of this situation. The impression given is that the proposed prices are part of a carefully planned policy which, within a reasonable space of time, will bring EEC and world market prices broadly into line with one another. But no indication is given as to what will be done if prices on the world market fall, for example, by 15-20%, and that is by no means inconceivable. By pursuing its optimistic and unrealistic policy, the Commission is raising the prospect of using Community cash for other things, such as social and regional objectives, and one fine day there is not going to be enough money available for the agricultural policy. As we know, there is a limit to what the Community can spend. But there is also a danger in giving an increase as large as that backed by the Committee on Agriculture. An increase of 14% is something which can only happen once, and it will have given the farmers a false idea of what they can expect from the Community.

All in all, it becomes increasingly clear that the Community's agricultural policy has become a fiasco. It has created an enormous bureaucratic machine and it has forced development to proceed along artificial lines. But it has not solved the problems of agriculture or of the farmers. I can tell you something about these problems by quoting figures produced by the Dansk Jordbrugsøkonomisk Institut (Danish Institute for Agricultural Economy). They show that farmers' incomes in Denmark at constant prices in 1979-80 were only 35% of their 1971-72 level, before Denmark came into the Community. I hope that Commissioner Dalsager has a bad conscience over the fact that at that time he was busy persuading Danish farmers to vote 'yes' to the EEC.

President. — I call the Non-attached Members Group.

Mr Pezmazoglou. — *(GR)* Mr President, the problem we are dealing with today is such that I must stress at

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the outset the anomalous situation arising from the uncertainty over the fixing of the level of agricultural prices applicable for the 1982-1983 marketing year.

Already a source of concern for 27 million Europeans, this uncertainty has even more serious consequences for the Member States and the less-developed regions, notably Greece.

I therefore urge Parliament to resist the subversive and negative attitudes back of the various new directions intended for the Common Agricultural Policy.

Need I stress that the CAP, applied for over 20 years, is a vital element of the European Community, a factor of economic and social equilibrium for all the Member States, but that it was also one of the conditions for the participation in the Community of many countries, particularly Greece?

I should now like to address a few remarks to those speakers whom we have just heard who proposed strengthening the commercial criteria governing the application of the Common Agricultural Policy.

The CAP and the level of income of the agricultural population determine the pattern of growth of the entire Community economy and, in particular, income and production trends in the industrialized countries. The Community's agricultural trade makes up 20% of the entire flow of goods, trade in industrial products 80%. The 20% figure for trade is of great socio-economic importance, and constitutes the basis of the whole Community economy.

Furthermore, the Common Agricultural Policy has enabled us over the past 20 years to lay the foundations for, and fully cover, the needs of the Community in foodstuffs and agricultural raw materials. This is particularly important at a time when hunger is widespread and when a shortage of agricultural products is probably imminent.

And lastly, in all those countries that are lagging behind in development, notably Greece, Italy and certain French regions, the agricultural sector is of vital importance. In Greece over 25% of the population is engaged in agriculture.

I have listened with a great deal of interest to the observations made by the President-in-Office of the Council. I hope that the criteria he mentioned, and the general considerations he expressed, will not be forgotten when the final decisions are taken. I have hopes that these decisions will be taken as quickly as possible, and at the latest when the European Council meets in a week's time. I must say, however, that I cannot agree with the remarks made by Mr Dalsager on behalf of the Commission and that we cannot be satisfied with the Commission's proposals. They are in line neither with past experience nor with future needs. I would therefore like to make a number of

observations in this connection and can only regret that Mr Dalsager is not present to hear them.

First of all, the basic directions that the European Parliament has followed hitherto are in no way contradictory. The views expressed by Mr Dalsager do not correspond to the true facts. We have proposed the introduction of a co-responsibility levy on products in structural surplus — I say structural advisedly — affecting the bigger producers. This proposal is not only logical but necessary. There is no justification for imposing the co-responsibility levy on all other products not characterized by structural surpluses.

Second, Mr Dalsager's observations regarding the budget do not stand up to examination. The European Parliament has formulated very specific proposals for restructuring the Community budget in the medium and long term. If they are heeded by the Member States and by the Council of Ministers, all the difficulties will be ironed out.

Furthermore, there is no reason to mistrust the Parliament's proposals whilst the Commission proposals raise doubts in the minds of all Community farmers.

Before concluding, Mr President, I should like to say a few words about possible solutions.

As various Members have pointed out, and among them Mr Glinne, and Mr Vitale on behalf of the Communist Party, we clearly need a whole range of measures. The problem is not to fix a greater increase for agricultural prices, but to bring in a whole range of measures. Mr Dalsager avoided this subject and refrained from commenting on the views expressed thereon. If it is important, for all of us, to fix an adequate rate of increase in agricultural prices, it is vital in the case of Mediterranean products whose production costs have risen so much that protection measures need to be strengthened. Administrative procedures must also be drawn up to implement and monitor Community protection.

Second, it is important to help the small and medium-sized farmers, i.e. those with less than 20 hectares.

Third, inflation has reached a critical level, and Mr Dalsager said that parities would have to be adjusted. I do not think this would do very much good. Parity adjustments and successive devaluations encourage inflation, they do nothing to check it and are unable to bridge the gaps which indeed are constantly widening. To solve the problems in this area it is necessary to set up mechanisms that can remove these gaps, at least in the medium-term and to seek agreements with most of the Member States, within the framework of the EMS, that will progressively align exchange rates or to look for ways of removing the gap between inflation rates. It would be inadmissible to consider making the farmers pay the price for the differing inflation rates among the Member States. I believe, Mr President, that the

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measures we recommend will help us to find the necessary solutions.

President. — I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, the battle of the prices has started again in Europe. Offers range from 16.3% to 0%. The Committee on Agriculture is at present saying 14%, and we can see straight away that we are again bogged down on a course of wrangling which will lead nowhere.

Mr President, I should like to state clearly that the report of the Committee on Agriculture is unacceptable to my Group. Not because it seeks to obtain a fair increase in prices for the farmers, but because the manner in which that is to be achieved is unacceptable. A straight price increase means that the production of surpluses will only increase and that the money will end up where it will in fact act as an incentive to more and bigger farming enterprises. On that point, Mr President, our criticism goes further. We feel that a 14% price increase is not only unacceptable because it is simply not practicable on budgetary grounds and will cause huge increases in surpluses; we find it all the more unacceptable because the report is clearly guided exclusively by protectionist considerations, and it suddenly becomes apparent once more that the agricultural policy is to be continued on the old basis. On the old basis, just as though Parliament had never said anything about the shortcomings inherent in the present policy. Mr President, the chairman of my Group has already presented the general lines of our policy in that area. This report, unless it is drastically amended, is unacceptable to us, and we shall vote against it. We shall endeavour to have the report amended in such a way that it goes further in accommodating the Commission's proposals. These proposals are open to a good deal of criticism, but nevertheless — and Mr Curry has clearly indicated as much in his original report — they could serve as a basis for discussion. At least they do not ignore — Mr Dalsager also pointed this out in his speech — what we have been saying here for a year and a half. Mr President, once again, we were not so unhappy with the Commission proposals. We did feel that they could be corrected on one or two points. Thus we still find that, when the Commission speaks of a general increase in prices, it pays too little attention to the problem in Europe, namely the divergence in inflation rates and in cost trends between the different countries as far as agriculture is concerned. Here the Commission should have been more outspoken in its proposals. A mere 120 million ECU for small farmers — although that is a step in the right direction, Commissioner — to be given by way of the price policy, is just not enough. My Group wishes to make that clear and has also tabled amendments accordingly. I would draw my colleagues' attention to the fact that the Commission recently answered questions concerning the use of the 40 000 million

ECU which are currently being spent by the Community on agriculture. In his answer to those questions, the Commissioner for Agriculture indicated that Dutch farmers are being heavily subsidized, namely at a rate of 17 000 guilders per worker employed. Only one tenth of that amount goes to Italy. A price mechanism alone is thus not a satisfactory means of achieving a fairer distribution of incomes in agriculture. The Commissioner pointed out in his answer that EEC policy is not the only factor responsible; there are many causes, such as the difference in levels of technical efficiency and other such factors. But I should like to impress upon my colleagues that, whatever the causes may be, the present price mechanism, which is geared firstly to supporting farmers' incomes and secondly to limiting the production of surpluses, cannot achieve these objectives and has one-sided effects within Europe. On this point therefore, the Commission proposals call for criticism. A second point which I should like to deal with is that the Commission is proposing clear production targets, and for the Christian Democrats that holds out the prospect of a new departure for Europe's agricultural policy. Mr President, it is of course not the production targets themselves which are important, but the instruments through which the targets are to be maintained. We discussed that question in connection with the Plumb report and we have been discussing it for the past 2½ years. Now suddenly to speak of a new departure, which is otherwise devoid of content, and to which the Commission in my opinion also gives too little content, to me that is really going too far. For, if production targets are to be set, then at least the policy instruments to be used in order to counter the production of surpluses should also be specified. I came across a clear proposal from the Commission in the mandate proposals in the field of agriculture. The Commission says, regarding the new policy concepts for agriculture, that it wants to introduce a supplementary levy on production which exceeds the targets, and I thought that was a good approach. I must say that Parliament has always argued in favour of action on those lines. But, Mr President, when I now look at the Commission's price proposals, suddenly there is nothing to be seen of that, not a single concrete proposal, no concrete measures, only a catalogue of possibilities. It is as though the Council, in its discussion of the mandate, has so discouraged the Commission that it no longer even feels up to giving some effect to the decision in principle already taken by the Council, and merely says: we have production targets now and we'll just wait and see how we apply them in practice. We have also tabled an amendment on that point, urging the Commission to take decisive action in order effectively to support and rescue the European agricultural policy.

Another important point. Much criticism has come from Parliament over the existence of the MCAs, the monetary compensatory amounts. The Commission has also dealt plainly with that point in its proposals. It wants to dismantle the MCAs. Rightly in my opinion.

Woltjer

But, Mr President, why did the Commission not go further? Why did it propose a 3% reduction for the Netherlands and 4½% for Britain and Germany? Why does the Commission not acknowledge the wishes of the Council stated when the EMS was introduced that the MCAs should be dismantled over a period of two years? My country also has MCAs, but, Mr President, I would point out that MCAs are sometimes necessary to offset the anomalies brought about by monetary policy. If, however, they are used by a country to set high prices for its own farmers to the detriment of those in other countries, then I say that they are to be repudiated and that prompt measures must be taken. The Commission must be much stricter on this point and must go further than it envisages in its present proposals.

Conclusion: we shall, as a Group, endeavour to bring about drastic changes in the report which the Committee on Agriculture has put before us. We shall table amendments with definite proposals on farming incomes, on price increases, on the MCAs and on measures to limit the production of surpluses. Only when the substance of these proposals has been accepted shall we be able to vote in favour of this report.

I should also like to say something about products: milk production, for example. If we apply a 14% price increase, it will mean in fact that, precisely in those countries in which the rate of inflation is very low, there will be a massive increase in production. It is an inviolable law of economics; production will exceed our capacity to pay for it. It is hopelessly and irresponsibly optimistic to speculate that the world market will absorb the surplus production at today's prices. There is nothing to show that the world market will stabilize at the present level, but this is assumed for the sake of convenience. Mr President, if the market collapses or if the market does not turn out to be so stable and prices fall again, as has now happened with sugar, then we shall find ourselves facing immense problems which will be absolutely insoluble as far as the budget is concerned and which, in my opinion, will lead to the renationalization of agricultural policy, and this is something I should like to prevent. I think we all carry a responsibility to ensure that what we are fighting for in Europe, namely the Community agricultural policy but also policies in other fields, should remain Com-

munity concerns. What is really happening now with proposals such as these from the Commission amounts to nothing more than putting our head through the noose and saying: let's see tomorrow how we'll hang.

Mr President, I also have a comment to make on the co-responsibility levy: the co-responsibility levy is of course no more than a consumer subsidy or a consumer tax. For, if the co-responsibility levy is really to do what is required of it, the same result can be achieved directly by way of prices. But that mechanism, and I agree with many of my colleagues, namely the use of prices as a means of forcing reductions in surpluses, is much too dramatic and produces a rationalizing effect which is something of a cold shower. Also I feel that the co-responsibility levy is not the right way. You cannot tax consumers because farmers produce surpluses. You must give consumers the right to pay the price which they have to pay to cover the cost of the product. My Group will therefore vote against the co-responsibility levy.

Finally, a word on sugar. Mr President, reports are currently circulating in the Community — emanating from the ISO — that we are damaging the developing countries to the extent of 500 million guilders per year with our sugar policy. I must say of course that we cannot allow such a charge to be levelled against us. We have a five-year contract at present, but I wanted to point out to the Commission that the farmers are currently being manipulated by the factories into producing for export. I should therefore like to ask the Commission whether it agrees with me that it did not in fact intend to introduce the mixed price systems and the linked quota systems. If it abolishes them, the independent producer will again be responsible, which is in his interest and in that of the developing countries.

I will conclude now, Mr President. I have underscored the main points here and would now just like to point out that the agricultural policy, which is of concern to us all and with which we are all involved, can only be kept going if we adopt a realistic approach, if we all strive to make a positive contribution to this debate in Parliament, even at a stage when only prices are being discussed.

(The sitting was closed at 8 p.m.)¹

¹ Agenda for next sitting: see Minutes.

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IN THE CHAIR: LADY ELLES

Vice-President

(The sitting was opened at 9 a.m.)¹

President. — I call Mr Gautier.

Mr Gautier. — (DE) Madam President, we are celebrating today the 25th anniversary of the signing of

the Treaties of Rome. But yesterday, in the IPE building, I saw an exhibition — evidently organized by the Greek Communists — which is opposed to the European Community in its tendency. Did the Bureau approve this exhibition? Or must this mistake be put down to language difficulties, to the fact that the Bureau does not know enough Greek?

President. — This matter will be dealt with by the Bureau. The Bureau was not informed that this exhibition would be mounted and I can assure Mr Gautier that in Greek or any other language it would be understood by the Bureau as to its content. We will discuss this matter in the Bureau and take the necessary action.

¹ Approval of the Minutes: see Minutes.

1. *Fixing of agricultural prices (continuation)*

President. — The first item is the continuation of the debate on agricultural prices.

I call Mr Langes.

Mr Langes. — (DE) Madam President, ladies and gentlemen, anyone who followed the debate yesterday and heard all the figures — 16.3, 14, 9 and 7.5, for example — might have thought we were doing some kind of collective bargaining in the European Parliament. Anyone who, like myself, comes from Germany, where collective agreements are being negotiated at the moment and where one has just been concluded at 4.2%, must wonder whether what the European Parliament is now doing as regards the fixing of these prices is not some kind of nonsense.

(Applause)

Your applause is perhaps a little premature, Mr von der Vring. We must ask ourselves another question — and yesterday evening, as my colleague has just recalled, a discussion took place here in this building between the Presidents of the three European institutions because the European Community has been in existence for 25 years today, and a number of very wise and forward-looking ideas were expressed. How does this all fit together?

Let us take a look at the Treaties. If you look at Articles 37 to 43 of the EEC Treaty, you will very soon realize that the procedure which began yesterday, has been continued today and will come to an end tomorrow with a vote, plays a central role in our European policy, because Articles 37 to 43 say that the object of the agricultural policy — and what we are discussing today is a very important aspect of that policy — is the supply of sufficient food to the 270 million citizens of the European Community. Its other object is to give the producers of this food a reasonable living.

If we consider these two requirements, we find today, on the 25th anniversary of the European Community, that this policy has been successful in providing the food that is needed. But if we consider the producers, we must admit that since 1977 the European Community has not been able to give them the increases to which losses in value caused by inflation or specific economic difficulties in their various countries entitled them.

I maintain that the European agricultural policy has proved itself in the last 25 years, but it has undoubtedly got into difficulty in one area, since it no longer performs the task it was intended to perform for the producers and undoubtedly because there are certain structural factors which we find unsatisfactory.

I will refer only to those words we so often hear, 'surplus' and 'the burning and destruction of foodstuffs'. When we see these words — and on this, I believe, we all largely agree — we must ask ourselves why it is we cannot bring these things under control as we would like. To use a metaphor, this European agricultural policy is like a lorry, on to which we have loaded a part of our European policy. The authors of the Treaty of Rome made it clear in the Treaty texts 25 years ago that they also wanted the other policies to be developed. And they named these policies: commercial policy and transport policy. We of the European Parliament say today — we have the Pfennig report and the Giavazzi report — that development and energy policy should be added to the list.

But unfortunately, and this is the tenor of the statement by the three Presidents yesterday, we find that these policies have not been developed as we would have liked. And what is our reaction? We load all the difficulties and unsolved problems on to the agricultural policy lorry. Everyone is emptying his bag on to it, regardless of whether the difficulties concern the GATT agreement, Lomé sugar or matters that have nothing at all to do with agricultural policy.

(Applause)

And now it is being said here in Parliament that the lorry is no longer going as it should, it is not going fast enough. What are we going to do now? Some people propose — as the Socialist members have just made clear with their interjections — that we should give it a little less petrol or a little less oil, then it should be possible to develop the other policies with the money we save.

Ladies and gentlemen, this is a mistake. This cannot be done. A major aspect of our European policy, the agricultural policy, must not be destroyed. It must be better designed in some respects. But — and we say this to our farmers as well — you must help to develop the other policies. Only then can we remove some of the load on our European agricultural lorry that does not belong on it.

If we are to be anything like honest in our discussion of farm prices, these target prices, everyone in Europe must realize that this has nothing to do with a wage increase, but concerns a package of measures, a fixed price, which is linked to various other aspects.

We must also ask, of course, how we can finance this. At the same time, we must have the courage to say that the other policies must be established. But we shall not achieve this by acting as the Socialists suggest, by keeping farm prices as low as possible and not giving the producers the incomes they need. We shall only succeed if we make a joint effort to get over this 1% VAT barrier.

My group has therefore deliberated very carefully on what can reasonably be expected of the budget and

Langes

also on what we must do for the people who produce the food. It is quite clear to my group that we should continue the fight against surplus production not by doing away with the co-responsibility levy, as proposed in the Curry report, but by continuing to promote and support it as a means of achieving structural change in the agricultural policy. Personally I am even in agreement with the suggestion that the old proposal put forward by the former Commissioner for agriculture should be taken up again and the upward grading made even stronger, even more rigid.

But with the same breath we must also make it clear that the scope for family farms must be increased under the co-responsibility levy. Striking this balance will be a joint task for the Commission, Council and ourselves.

Just one more remark to conclude: why is the discussion so difficult this time? One reason is that the Commission has repeatedly told us during the debates on the budget in recent years that we cannot spend more or we shall exceed the 1% limit; a tight grip must be kept on the agricultural market. That was one of the mistakes because, as we saw last year, many hundreds of millions of ECU of the 1% of VAT were given to the various countries, and that makes us all suspicious. My group therefore believes that, if the co-responsibility levy is retained, it will be possible, even within the budgetary limits, to approve a reasonable price increase. The money is there; of that the Commission has given sufficient intimation. There is nothing nonsensical in anything that is being called for here. What is being called for is reasonable and part of our European policy.

(Applause)

President. — I call Mr. Kirk.

Mr Kirk. — *(DA)* Madam President, ladies and gentlemen, I listened with great interest to yesterday's debate and to that which opened this morning with Mr Langes. I must say, though, that the strains are familiar from past years, when we have discussed agricultural prices here in Parliament. For example, I heard Mr Skovmand yesterday — and he is of course anti-EEC — say that the reason why things did not go so badly for the common agricultural policy in 1981 and why it was not such a heavy burden on the 1981 budget was to be blamed on or, more correctly, was attributable to the Soviet Union and the Good Lord. I have often noticed and have always been aware that Mr Skovmand had good connections in the Soviet Union, but I did not know that he was well in with the Good Lord. I should like us all to take note of that.

(Laughter)

Madam President, I think we must acknowledge that the way in which the common agricultural policy has

been managed these past many years has been a success. It has, as the Commission states in its own price proposal, achieved its objective in supplying the Community's 270 million population with food and in doing so at reasonable cost. We allocate 11 000 million units of account to the common agricultural policy and, if we compare that with something else which is familiar to us all, namely the running of the railways in the Community, which is a national concern, the Member States spend as much as 5 000 to 6 000 million units of account in order to keep the trains running in the Community. If we compare these two operations, we ought really to be able to say that the Community's agricultural policy has required no more than a reasonable amount of finance.

But unfortunately, it has to be said that the Commission has not taken sufficient account in its proposal this year of the problems with which agriculture is beset today in many of the Member States. Falling real incomes, high rates of inflation and high rates of interest have not been taken sufficiently into account. It is a bitter disappointment to me that the Commission has not faced up to the fact that the danger confronting the Community is a very grave one. We have, for example, seen the French Government give extensive national support to its country's agriculture, because it thinks that French farmers can no longer be expected to content themselves with the prices on which the Community manages to reach agreement. Indeed, the Commission says in its own report that the common agricultural policy will be seriously at risk, if satisfactory increases are not obtained. The Commission must think that satisfactory increases are achieved when 9% is proposed.

But the fact is that interest rates in some Member States are running at over 20%, in my country, Denmark, for one. Farmers there have to pay 20% interest if they want to invest and maintain their production basis. It is also a fact that inflation is as high as 20% in some Member States. In view of these figures, I think the Commission must realize that 9% cannot possibly cover the cost increases which have taken place in European agriculture, and I would therefore urge the Commission to revise its proposal. I think it quite clear that 9% is too little, and I support the 14% proposed in the Curry report, which the Committee on Agriculture adopted last week.

Another thing, over which Commissioner Dalsager reproached Parliament yesterday, was that the Committee on Agriculture had not kept to the proposal, which the Commission had put forward and which Parliament had adopted in June 1981, on production targets. Now, the proposal presented by the Commission on production targets in the cereals sector sounds fine, but what is the reality behind it? The reality is that, if production rises above 119 million tonnes of grain in the 1982-83 crop year, the price increases in 1983-84 will be lower. That is where the reality lies. That is the substance of the Commission's thinking on

Kirk

production targets. But that is what we have always had; there is nothing new in that in itself. There is nothing new in the fact that, if production is high one year, an object the following year will be to hold back price rises in the sector concerned. So I cannot really see why the Commission needs to voice such regrets, for nothing whatever will change, whether the principle of production targets is adopted or not, because the point at issue concerns the price proposal that the Commission will come up with next year for the ensuing crop year.

Madam President, there is one thing which I also think is of the utmost importance, when we consider the common agricultural policy, and that is the situation of exchange rates in the Community, and the monetary compensatory amounts. It is a fact that the monetary compensatory amounts play a part in the distortion of competition between European farmers. In countries which have positive monetary compensatory amounts, farmers have a clear advantage over those in countries which have negative monetary compensatory amounts or which have none at all. It must therefore be one of our objectives in the price discussions this year to secure a reduction in the monetary compensatory amounts or to have them phased out as quickly as possible. The Council decided this some time ago, but every year we see how they are allowed to proliferate again because of the uncoordinated economic policies pursued by the Member States. This is one of the reasons why the Commission must increase its price proposal, if we are to have any chance at all of getting the monetary compensatory amounts brought down. If we are to say to German farmers that we must cut the positive monetary compensatory amounts in Germany, we must also have a better price proposal than that which the Commission has put forward. I would therefore earnestly recommend that the Commission revise its proposal.

Finally, I should like to thank Mr De Keersmaecker for his speech yesterday, in which he assured Parliament that everything in the power of the Presidency would be done to ensure that the price negotiations would be completed at the beginning of April. I hope you will succeed, Mr De Keersmaecker, for there is no doubt that, if we are to create a little optimism in European agriculture, we must face up to the responsibility we bear. Clearly it is, in the final instance, the President of the Council and his colleagues who must show that they realize that it is now necessary to put forward some decent price increases and to get them adopted by 1 April.

President. — I call Mr Pranchère.

Mr Pranchère. — (FR) Madam President, a lot of representatives of family smallholdings are out in front of the European Parliament today and they have not come to blow out the 25 candles on the Treaty of

Rome's birthday cake. History does some funny things, let us admit. Just when we are celebrating the 25th anniversary of the Common Market which was supposed to make the farmers prosperous and solve their problems, here they are, demonstrating and protesting.

Eight years of falling income. That is the result of the common agricultural policy as applied in France by a series of right-wing governments. The small farmers have had enough. They cannot keep up. They are working harder all the time and their situation seems to be unbearable. They have had enough of the vicious yield-credit-labour cycle, and rightly so, and they are refusing to take a further drop in their income in 1982, something that would make their living and working conditions even worse, speed up the move to the towns and push up unemployment — which is already at a record level in the Community.

This is why the European Commission's proposals looked to them like real provocation. The grossly inadequate 9% increase would not even be felt at production level because the Commission has arbitrarily tied it to measures which would considerably reduce the scope of any price increase. In many of the sectors, it wants to bring prices down and it is fixing price thresholds with co-responsibility levies and restricting the guarantees of market support. Although it failed last year, it is back in harness again now, trying to force general co-responsibility on us as the fourth principle of the CAP. This Malthusian policy of limiting production totally ignores the many evasions of Community preference that cost the budget more than FF 20 000 000, a quarter of what the EAGGF spends. With all these successive blows from inside and outside the EEC, the Common Market has become a bottomless pit where 16 000 000 tonnes of grain, 5 000 000 tonnes of vegetable oils and fats, 420 000 tonnes of beef and veal and more are sunk, more or less without customs duties.

So limiting production is even more unacceptable now that there are many sectors where the Community's reserves are barely adequate. It has two days' supplies of butter, 13 of beef and veal, nine of barley, two of colza and so on. The butter mountains have melted, the milk lakes have dried up and the Eurocrats would do better to keep quiet than go chasing after rainbows. We are pleased that the Committee on Agriculture acted on our proposal and refused to extend co-responsibility to more sectors of production. And that is not the only positive thing about the final resolution either, as it overturned the rapporteur's original proposals and then threw out all the Commission's proposals and took proper notice of the ideas that the French Communists and Allies had been defending. Yes, we are proud and we are pleased with the encouraging results obtained at the Committee on Agriculture, particularly because of the reference we had asked for to the objective method of price fixing, to the improvement of market support to make sure that

Pranchère

price increases really are felt at production level, to the introduction of additional measures to reduce rising production costs in the countries where inflation is high and to respect for Community principles, with, in particular, limitation of substitute products and the introduction of a levy on imported oils and fats.

Once again the defenders of Unilever, with their spurious arguments, will no doubt be all out against the farmers as usual. They will be careful not to say what Unilever's profits actually are, of that you can be sure, or how much capital firms in Germany and the Netherlands have ploughed into growing manioc — which has been developed to the detriment of food crops in the developing countries. Do not join in their wailing. They are only shedding crocodile tears — and crocodiles also have teeth.

Although there are many positive things about the Committee on Agriculture's report, there are still gaps and shortcomings that we wanted to overcome with our amendments. To cover rising production costs and start making up for the accumulated loss of income of the past few years, we are asking for the agricultural prices paid to family smallholdings to go up by at least 16%. The Community budget can cope with this increase, because of the 8 000 million it saved in 1981 and because the effect of this increase represents less than 20% of the cost of derogations from Community preference.

We note the desire to dismantle the monetary compensatory amounts as soon as possible, but we think we should go further and move faster to re-establish the unity of the market and put an end to the distortions of competition which our farmers are having to contend with by 1 April 1982. We share and understand the anger which abusive imports and speculation by big dealers have provoked among the farmers, the wine-growers and the fruit and vegetable producers and we resolutely call for total respect for Community preference and better control over imports. The serious repercussions of these imports that are used as a lever on costs reinforces our opposition to enlargement, if indeed any reinforcement is needed. But we are glad that the campaigns we alone have waged have made it possible so far to prevent enlargement — which we propose to replace by a genuine policy of cooperation with the applicant countries.

We have heard the alarm which the international organizations have sounded about the worsening malnutrition in the world today and we think that the danger is not producing too much, as the Commission would have it, but not producing enough. This is why we are defending a farm strategy where development is based on family smallholdings capitalizing on their natural resources — which means getting out from under the increasingly constricting wing of the USA and resisting its unacceptable pressure.

Last and not least of our priorities is that we think it is vital for the agricultural prices for 1982-83 to be fixed

by 1 April 1982. And this means scotching Mrs Thatcher who has started the blackmail she was so successful with in 1980. There can be no question of horse trading and lumping together price fixing and the British contribution, as the Committee on Agriculture so rightly emphasized at our request. If the UK wants to stay in the Common Market, then it has to abide by the rules. The farmers will not be hostages. Nor will they be pawns in any Community reform.

We are pleased that, at the European negotiations, the French Government was firm about British blackmail and defending the farmers' income. This is the right road. It has to be followed and we, for our part, shall not deviate from it. We have the backing of the government's commitments which François Mitterand, the President of the French Republic, mentioned again recently. Guaranteeing the farmers' income is one of the conditions that we insist on if the common agricultural policy is to be pursued. The French farmers can rest assured that we will not let them be sacrificed for the benefit of the construction of Europe — that we cannot envisage without a proper relaunching of the economy through an increase in purchasing power.

We are faithful to our commitments. We are concerned about the development of our agriculture and the wellbeing of the people who work in it and we are determined to go on working in the Community institutions and in the field with the firm desire of seeing a stop put to the falling incomes of our family smallholders in 1982.

(Applause from the Communist and Allies Group)

President. — I call Mr Delatte.

Mr Delatte. — *(FR)* Madam President, Honourable Members, as I have already had several opportunities of expressing my own and my group's opinions on the problems and technical aspects of the common agricultural policy and as I have only a short time at my disposal, I propose to confine myself to the political side of farm price fixing for the moment.

I should, by the way, like to congratulate our rapporteur, David Curry, for all the work he put in and for his faithful presentation of the conclusions of the Committee on Agriculture. I shall not deal with the positive positions arrived at in the committee. But I shall express my surprise at Commissioner Dalsager saying he hoped to see an alliance between the Commission and Parliament and making somewhat contradictory statements to us. He did in fact stress the need for the common agricultural policy to be dynamic and then he went on to talk about measures that would clearly have an effect on European farm production. I sincerely hope that our Assembly will refuse to see things in this light and will maintain the positions arrived at in the Committee on Agriculture, as they are

Delatte

essential to the kind of development of European agriculture that I find highly desirable.

The decision we are going to take on the proper level for these prices and the decision that the Council of Ministers for Agriculture will be taking are highly political things and here I should like to say that it was with great interest that I listened to Mr de Keersmaecker, the minister, telling us that a consensus was emerging in the Council of Ministers in an attempt to get us out of the deadlock towards which we seem to be moving. What does this mean? First of all, we have to decide whether we want a minimum of social justice or not. For several years now, the French farmers have been seeing their purchasing power eroded, as we are forever hearing, and I should like to know whether there are other socio-professional categories with such a handicap. No, there are not. Then we have to find out whether, in the difficult task of constructing Europe and in the period of crisis we are now experiencing, we are seeking alibis. In other words, are we going to allow the common agricultural policy to become an excuse to hide behind when future generations are bitterly regretting our present lack of political will?

I should also like to say, yet again, that it is not by gradually dismantling the common agricultural policy that we will create other policies. Such a thing would mean — and obviously warrant — raising the ceiling on own resources. Then we have to decide whether agriculture should be a European economic and political force as far as the rest of the world is concerned. Since it is a natural resource, I am convinced that it can play a leading part in our interdependence, provided, simply and logically, that the farmers get a decent living.

And lastly, ladies and gentlemen, we have to decide whether or not we need to get Europeans enthusiastic about the construction of Europe. I would remind you that the farmers used to be ardent common marketeers. I would remind you that farming is the only sector of activity where incomes are fixed in accordance with European decisions and procedure. The Treaty of Rome is 25 years old today, as Mr Langes said just now, and it is an occasion to show, with a frank, forthright vote, that Europe has not forgotten its farmers and the things its agriculture can do and, most important, that the farmers' interests and the general interest are one and the same. Europe, now in its second generation, will not neglect the farmers who made up so many of the first generation of Europeans.

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Madam President, the report on agricultural prices for the 1982-83 crop year, which is the basis for our discussions today and which is the result of the deliberations of the Committee on Agri-

culture, does not seem so bad to me. At all events, it is considerably better in my opinion than the curious proposal the Commission has put before us. The Commission speaks of moderation and a prudent price policy and uses that as a kind of excuse for apparently plucking out of thin air the figure of 9%.

We all know from bitter experience that the Council of Ministers, often after long wrangling, manages to reach some compromise or other, without taking into account either the Commission's proposal or Parliament's opinion. And that may be a kind of alibi for the Commission's way of doing things, but I do not think that there is really any excuse. Any compromise proposal short of the 16.3% which COPA has demanded will only mean further loss of ground for our farmers. For we all know very well that what we are discussing here is an increase based on the rises in costs which have taken place, but it does not take into account the cost increases which will take effect in the coming year. Already now, in the space of only a few days, we have suffered further loss of ground, even if we meet the very reasonable demands of the farming organizations. The only positive elements I was able to find in the Commission's proposal were the remarks on cutting back the monetary compensatory amounts. That is entirely sound thinking in my opinion. West Germany has used the system in order to maintain high prices to its farmers, who have been encouraged to increase their production, while at the same time other Community countries have been persuaded to cut their production. The British, with their usual business sense and head for figures, have used the system to keep prices low. More consideration has been given to the consumer than to the farmer. It would be very heartening, if a system like that could soon become a thing of the past.

The principle of counter-payments of an equal level, quota arrangements and co-responsibility levies should also quickly become things of the past, in my opinion. I shall not speak at great length on these questions, but, in connection with the co-responsibility levy, I must express surprise that the Commission apparently still believes that it can go on applying a structural policy with the aid of price intervention.

It is tiresome always having to talk of limitations and restrictions. Why not for once try a positive policy such as that embodied in Article 39 of the Treaty of Rome? Instead of imposing limitations on ourselves, let us open out and pursue a dynamic export policy! The Commission has so far treated exports as a short-term measure for the control of markets. But I would point out that it would be quite feasible to develop an intelligent export policy. In 1970 Denmark had literally no exports to Japan, but today we export pork to Japan to the value of 1 800 million kroner per year and are the only country in the Community to have a surplus on our trade balance with Japan. So it can be done.

Nyborg

As has been said by many other speakers, I would add that I find the blackmail pursued by the British totally unacceptable; we cannot link a nation's budgetary problems with the policy on prices for all the farmers of the Community to which we belong.

We can no longer stand by and see competent, efficient and hard-working farmers penalized. The European Parliament, in my opinion, can no longer accept the undermining of the common agricultural policy.

President. — I call Mrs Spaak.

Mrs Spaak. — (*FR*) I should like to start by saying how difficult it is to discuss farm prices in the absence of a Council decision on important aspects of the common agricultural policy on which Parliament has already made its position clear. I am thinking, for example, of an external strategy including, in particular, the conclusion of long-term export contracts.

I should like to insist on one thing that seems to me to be important. Agriculture is an essential aspect of the quality of life, whatever country of the Community we live in, and it has to be managed with this in mind. This means maintaining a balance between large-scale concerns and the small and medium-sized family holdings. Large concerns tend to have the advantage of combining sound profitability with the possibility of technological modernization and their size means they are better placed to withstand difficulties on the market. Their responsibilities have to reflect the size and diversity of their production.

Small and medium-sized farms, however, are much more vulnerable in all sorts of ways. But they do provide jobs and they are part of the life of many parts of the Community, Wallonia in particular. The common agricultural policy has to give them a decent standard of living. It has to give young people who want to make their career in farming a future by ensuring they have a big enough profit margin to invest. But the present corresponsibility levy is doing quite the opposite. It in fact cuts the price paid to the producer and maintains a higher price for the consumer. The profit margin and investment opportunities of the small farmers are decreasing in the same proportions as those of the big concerns and this seems to me to be unfair. The burden of this tax ought to be distributed. So I am obviously in favour of assisting the small milk producers as the Commission suggests. But can the Commission guarantee that the 120 000 000 ECU provided will actually go to those family smallholdings that derive most of their income from agriculture?

Now I come to my second and last point — the monetary compensatory amounts. The dismantling of these amounts was and still is one of the aims that has to be achieved if we are, in particular, to re-establish the unity of the market. The minister said as much. It may

be difficult to do away with those that exist, but it would be logical at least not to introduce any new ones. Can the Commission and the Council say when any decision will be taken on the green currencies, following devaluation of the Belgian franc?

The common agricultural policy is one of the essential policies of the Community. If it can be defended, it can also be improved. This is where my questions and my remarks are leading. I should like to insist that the Council has the will and the political courage not to postpone its decision. Any delays will increase the farmers' very reasonable concern about their future, heighten the risk of renationalization of the common agricultural policy and endanger the very real achievement of the European Community whose 25th anniversary we are celebrating today.

(*Applause*)

President. — I would just like to reply to the question raised by Mr Gautier earlier this morning concerning an exhibition organized by some members of the Communist and Allies Group in this Parliament. A request was made by three Greek Members to the College of Quaestors to hold this exhibition. The Quaestors gave permission on the understanding that it should not be held near the hemicycle. The exhibition was intended to present a complete and objective picture of agricultural problems in Greece. Since, however, Mr Gautier has raised an objection to this exhibition, this matter will be submitted to the Bureau at the earliest possible convenience.

I call Mr Fich.

Mr Fich. — (*DA*) Madam President, on behalf of the Socialist Group, I should like to speak about some of the budgetary aspects of the Commission's proposal for a price package for the 1982-83 crop year. It has often been said that it is not the budget which should determine agricultural policy, and I concur. The agricultural policy should be judged on its own merits and deficiencies and, of course, on the extent to which it meets the objectives laid down in the Treaties. But it seems to me that there is a tendency here today to forget entirely that there are, at the end of the day, financial limits within which expenditure on agriculture must be contained. It seems to me that we are forgetting that there is the famous 1% VAT ceiling, which is now not merely a theoretical problem but a real one. It seems to me that we are forgetting that we ourselves have expressed the wish that the Community should have resources to pursue other policies besides agriculture, and it seems to me that we are forgetting that there is a limit to what the people of the Community are prepared to pay out, both as taxpayers and as consumers.

I think that much of the confusion arises from the fact that these two concepts are not kept separate. It is very

Fich

important to remember that there is a difference between agricultural prices and agricultural expenditure. It is self-evident what farm prices are, but agricultural expenditure involves all kinds of supplementary measures in addition to prices, namely co-responsibility levies, production thresholds, monetary compensatory amounts and many more. The crucial issue today is that there is a limit to expenditure but, within a given expenditure ceiling, it is possible to put forward a variety of solutions to the problem of how high prices should be. It depends only on one thing: how much are we prepared to do in the other sectors by way of co-responsibility? If we are prepared to limit production so that it corresponds more or less to consumption, there is scope for higher price rises. But, if we want freedom to produce large surpluses, which must be exported with export refunds or which, if the worst comes to the worst, must be put into intervention stores — and that is precisely what costs the money — it is obvious that prices must necessarily also be lower.

What is of interest to us from a budgetary point of view are the supplementary measures, for that is where the big money goes, and that is what really concerns us — much more than prices as such.

What is this famous limit? Yes, it has often been said, but let me repeat it. The limit for 1982 is 560 million units of account, and let us look at the various proposals. The Commission's proposal will cost 400 million units of account, and it is within the limit; but the proposal contained in the Curry report runs to about 1 100 million units of account, and the COPA proposal is of course higher still. This means that we cannot finance the Curry proposal in 1982, unless, of course, we get a supplementary budget. But this House has time after time declared that it is unwilling to resort to supplementary budgets during the course of the year. Parliament itself bears responsibility for the budget we approved only about two months ago.

What is the limit for 1983? The limit for 1983 is of course the 1% ceiling. If we take the Commission's forecasts for its own receipts and assume that the structural funds will not increase any further than they did in previous years, and we all felt that that was too little, there will be 1 300 million units of account left. Within that 1 300 million, we can fund the Commission's proposal, but the proposal contained in the Curry report will cost at least 2 000 million units of account, and that is out of all proportion to our available resources. I have heard that there are some who say we must extend the 1% ceiling, but we are discussing the 1982-83 price package here and, if we extend the 1% ceiling, everybody knows that will take two, perhaps three years, and it is not therefore realistic to discuss it at the present time.

I will say one thing to the Christian Democrats. I have noted that agricultural expenditure is too high. I have noted that the Christian-Democratic Group supported

the 1982 budget at the level of funds set out, i.e. only 560 million units of account. I have noted that the Christian-Democratic Group supported the Pfennig report and the Giavazzi report, which called for funds to be allocated to policy in fields other than agriculture. So now I see that the Christian-Democratic Group is set for a U-turn.

That is fair enough, but I must point out to them that what they are supporting is a supplementary budget for 1982, and that there will be less money available for the structural funds in 1983. I think we should be clear about that. Let me conclude by saying that we should make use of the agricultural policy, but the abuse which has been practised hitherto will mean that it will become unpopular and that it will not be possible to finance it. And in the long run it will destroy the agricultural policy.

President. — I call Mr Dalsass.

Mr Dalsass. — (DE) I sympathize with the rapporteur for the lack of enthusiasm with which he has presented his report, following the substantial changes made by the Committee on Agriculture to his motion for a resolution. But we had to make the changes — or rather improvements — if we were to remain something like true to ourselves and to the agricultural policy which we have so far pursued, largely with considerable success. I must nevertheless confess that the rapporteur has reflected the viewpoint of the Committee on Agriculture fairly faithfully.

I intend to confine myself to a number of basic comments and state my views on critical remarks made both by the rapporteur and by Commissioner Dalsager. Mr Curry has expressed the criticism that the motion for a resolution tabled by the Committee on Agriculture seeks to give a free rein to increases in production. I do not find anything to criticize in that: we welcome free development in the economy. It corresponds to our ideas of free market economy, and by 'our' I principally mean my group. But if this criticism concerns areas in which surpluses are being produced, thus causing distortions or burdens which the general public can no longer be expected to tolerate, certain adjustments will have to be made to the agricultural policy to curb these surpluses and, where possible, reduce them. We have always advocated this and shall continue to do so in the future.

The rapporteur's criticism that nothing is being done about this is unjustified. His proposal is that the co-responsibility levy should be abolished. But this is the only measure that has so far been taken to tackle surpluses and to attempt to curb and reduce them. The Commissioner has rightly rejected this proposal, because the Commission has always advocated the retention of the co-responsibility levy.

Dalsass

The Group of the European People's Party has also accepted it and advocated its retention as long as structural surpluses continue to exist. In the Committee on Agriculture, however, it was unable to get its way, and that is why it has tabled the same motion in Parliament. We want a variable co-responsibility levy. The position of the European People's Party has always been that the small milk producers, and especially family farms, must be helped and that they deserve greater consideration and support.

Now the report of the Committee on Agriculture refers to 120m ECU in connection with the direct incomes transfer which Mr Dalsager has criticized. We are opposed to this kind of support because we feel it conflicts with the principles of the free market economy. Direct incomes subsidies should be avoided wherever possible. It is better to help small producers by exempting them from the co-responsibility levy. Our motion therefore calls for the exemption of the first 60 000 kg. Admittedly, this might give rise to the criticism that everyone would profit from such an exemption, not just the small producer. That is true. But this is the only approach if we are to avoid the development of a bureaucratic apparatus which would cost far more than we have at our disposal. We naturally continue to advocate the exemption of mountain areas from the co-responsibility levy and we have tabled an amendment to this effect.

The Commissioner has also been critical about the increase in prices, saying that a moderate position must be adopted. The Commission has in fact been somewhat too moderate, because not quite 9% is simply not enough. There is no way this proposal can be approved. Why, after all, did over 100 000 farmers protest in Paris the day before yesterday, when farmers have little liking for taking to the streets and demonstrating? Because they are afraid the price increases might be too small and their situation will deteriorate further, their real incomes will sink further. We consider a greater price increase necessary to prevent this happening. We are in favour of the proposal made by the Committee on Agriculture, even though — and this is no secret — we did put forward a different proposal to prevent the increase from falling below a certain lower level. This proposal should be a safety net. We did not expect anything more to be decided, but things now being what they are, we willingly approve this new proposal.

We must continue with the common agricultural policy unless we want the European Community to fall apart. This policy still holds the Community together to some extent. If we abandon it, we shall have abandoned practically the only important thing we have achieved in the last 25 years.

President. — I call Mr Hord.

Mr Hord. — Madam President, I should first of all like to compliment the rapporteur on his original draft

and background documentation. I think it is fair to say that few people show the same dedication to their role as rapporteur in the House as Mr Curry.

But, Madam President, I cannot compliment or support the Committee on Agriculture, of which I am a member, on its report. To me it seems unrealistic, one-sided, irresponsible and inflationary. Furthermore, the Commissioner has reminded us that the same report is contrary to Parliament's report of June last year on the restructuring of the agricultural policy. Well it is not often, Madam President, that I agree with the Agriculture Commissioner, but I certainly did so yesterday, and I think it is fair to say that many of his criticisms of the Committee on Agriculture's report are justified. They certainly are in my view. I consider the 14% proposed by the committee totally unacceptable.

But I think we should at the same time look at the Commission's approach. As we know, a general or average price increase of 8½% is suggested there. But is it really relevant or realistic for us to give price increases in those sectors which are in structural surplus?

Let us take milk. Even with the co-responsibility levy we still had a record output of milk last year — up by 2.7%. One wonders when it is ever going to end. So I would suggest that the co-responsibility levy as a discipline has been totally useless. Look at sugar: we again have something like 3 million tonnes in surplus and we are just about to give another 9% increase. Olive oil is up 9%. Then there is wine. As far as the consumer is concerned, this is verging on madness. Madam President, can the Commission — and the Council for that matter — expect to secure credibility for the common agricultural policy when they ignore the conditions of the marketplace? Their policies encourage even higher record levels of output in the sectors which are in structural surplus and, at the same time, penalize the Community taxpayers even more heavily. I think one has to liken this approach to a demented cowman feeding more and more high protein concentrate to a cow which has got acute mastitis. Sure enough it will cease to produce milk and it will probably die. I think that is what will happen to the common agricultural policy if the Commission and the Council fail to impose realistic disciplines urgently.

Last year, Madam President, something like a 9% or 10% increase was approved by the Commission and the Council. Did we see the nominal 2% rise in the retail prices of some of the commodities in the shops? In the United Kingdom for example butter went up by 12½% and sugar by 10%. Both of those had been in surplus. Bacon went up by 27%. It is strange, is it not, how we decry the world market situation. But last year, if we look at some of the commodities which are not covered by the CAP, we will see, for instance, that margarine went up a nominal 1%; tea went down 7.75% and coffee also went down. So I do wonder

whether in fact we are getting our sums right here in the Community in areas which are covered by the common agricultural policy.

As I say, the co-responsibility levy has failed. I think that what is vital is to have new disciplines. In this regard, Madam President, I have not yet seen any set of proposals more realistic than the Plumb proposals which emanated from this House last year, and I do believe that more notice should be taken of them.

Of course, we are hearing more about an oils and fats tax. Now my group basically goes along with an oils and fats policy. But when we start trying to tax farmers who have historically been involved in using a certain amount of concentrates, I think we should bear in mind the consequences which it could have. If some of those people who want to tax oils and fats have their way I believe we shall see some very unsatisfactory and unfair situations resulting in particular amongst established dairy farmers throughout the Community. Therefore, my group will not at all be keen to see any taxes in that respect.

Time is brief, but I do want, Madam President, to say a few words about the wine alcohol situation. The Commission has recently put forward proposals to increase the amount of wine distillation. It seems to me that the wine lake will certainly be giving birth to a wine alcohol lake. I think that none of us want to see that; certainly not the taxpayers. I believe that in many regards the surplus wine has been wasted, and I do hope that Parliament will accept my amendment to utilize surplus wine must as an alternative to molasses as an animal feedstuff.

As I say it makes no sense to raise the price of products in structural surplus. The Commission's proposed increase — never mind the Committee on Agriculture's idea of 14% — will place a very heavy burden on food manufacturers. It will increase the burdens on those firms to the point where many of them will have to lay off labour, bearing in mind that we are all in a recession, not just the agricultural industry. Some of them may well have to close down with very substantial repercussions on employment. The consumer will also, I believe, react very strongly against the suggestion of the higher prices. There will clearly be a drop in consumption for all products, more surpluses and with it more taxpayers' money needed to sustain the cost of dumping high-cost food at bargain prices.

Madam President, with the recession requiring a high incidence of self-restraint, I believe it is vital for all the Community institutions to set an example. I believe the Commission, the Council and Parliament should do all they can to fight inflation. Let us show the way in this House tomorrow to the people of Europe on this auspicious day by recognizing the overriding need to overcome the evils of inflation and unemployment and reject the 14% price increase contained in the Committee on Agriculture's report.

President. — I call Mr Adamou.

Mr Adamou. — (GR) Madam President, the Greek farmers, who found themselves involved in the EEC without having been asked, are now being killed by suspense as the competent organs of the Community are about to decide the fate of the fruit of their labours, and this anxiety is entirely justified because the Commission has proposed that this year the prices of agricultural products should go up by 9%, a thing that, to them, spells virtual ruin. It is well known that in Greece, for special reasons, the cost of production is treble and inflation double what they are in the other countries of the Community. The basic means of production have been made excessively expensive by the monopolies that produce them, while in the meantime, and in accordance with EEC regulations, the various national subsidies have been and are being abolished. It is also known, notwithstanding the Commission's allegations to the contrary, that the income of Greek farmers, according to figures released by the Ministry of Agriculture, fell by 7.7% in 1981, or by 4.1% if account is taken of various national subsidies, and this in spite of an increase in agricultural productivity.

In 1981 — the first year of belonging to the EEC — Greek farmers were obliged to bury 235 000 tonnes of fruit for which they received compensation of only 2 000 220 000 Drachmas. This is a consequence of the cut-throat competition faced by Greek products from similar products in the other Member States of the Community.

It is a consequence of the maintenance and extension of compensatory contributions applied to exported Greek fruit. It is a consequence of the barriers and obstacles impeding their distribution to third countries, particularly the Socialist countries, which could absorb the Greek agricultural surpluses in exchange, of course, for manufactured goods. Moreover, it is a consequence of the non-application of the principle of Community preference for Greek agricultural products. A characteristic example is provided by tobacco. While the overall production of the EEC corresponds to a shortfall of 400 000 tonnes of tobacco per year, and this tobacco shortfall is made up from the United States, Zimbabwe, Malawi and Turkey, in Greece 135 000 tonnes of tobacco from previous harvests are locked away in store, and not a single leaf of the 1981 crop has yet been exported.

Citrus fruits constitute a second example. Last year, the Community absorbed only 3% of the Greek citrus fruits available for export, but this year as well, when production increased by 36% the Common Market countries absorbed only a small amount. Of the 332 000 tonnes of citrus fruit exported up to 14 March, these countries had bought only 58 000 tonnes. They preferred to purchase 1 000 000 tonnes of oranges from third countries. If 250 000 tonnes had

Adamou

not been exported to the Socialist countries, the Greek growers would have been obliged to consign their citrus fruit to the grave. The degree to which EEC policy is disadvantageous to Greek farmers and opposed to the economic interests of Greece is shown by two examples. Greece is almost the only Community country that produces cotton, covering the needs of the Community to the extent of 15%. She would be able to double her output. However, the Community limits Greece's production to 450 000 tonnes of raw cotton, because the monopolies import cheaper cotton from third countries and make a bigger profit. A similar situation exists with sugar. While sugar beet thrives in our country and Greece could not only be self-sufficient but could also export sugar, the EEC limits the production quota to 317 000 tonnes and compels Greece to import sugar, subsidized by the national budget because it is more expensive.

Madam President, I participated in the work of the Agricultural Committee, when they discussed the Curry report on the prices of agricultural produce and the agricultural policy of the EEC. What happened there represented anything but unity and community of interests. The attempt is being made to load the economic crisis that holds the EEC in its grip onto the farming sector, to safeguard the interests of the monopolies and of giant companies in the North at any cost. Thus, the common agricultural policy is at the threshold of virtual bankruptcy. The reduced agricultural allocations of this year's budget are the surest witness to this. The Treaty of Rome emphasizes that the EEC must secure satisfactory incomes for its farmers, and that is why the increase proposed by the EEC Commission is derisory, just as the proposal for 14% by the Agricultural Committee, which we voted against, is most inadequate. This is particularly provocative to the Greek farmers, subjected as they are to high production costs and high inflation which blows the modest agricultural income to the winds. By virtue of resolutions adopted by their organizations and a decision of their recent conference, the Greek farmers have asked:

- (1) That a special increase of 30% should apply to the prices of Greek agricultural products, to cover the cost of production and yield a sensible profit so that they may make a living and continue their productive activity.
- (2) That the small-to-medium cultivators should receive subsidies and other fundamental support.
- (3) That the restrictions on the production of tobacco, beet, cotton, oil, soft grain and other dynamic products should be abolished, as should the restrictions on exports to the Socialist and non-aligned countries, and that these exports should be subsidized so that farmers will not have to bury their produce. The agricultural sector in Greece is one of the cornerstones of the country's economy, since it employs 29% of the working population. There are already 200 000 unemployed, and not 61 000 as reported by the Commission. Consequently, the uprooting of the agricultural population that is the result of the EEC agricultural policy will increase unemployment, while to secure a reasonable income would not only preserve the agri-

cultural population, but would make it possible for Greek farmworkers who have emigrated and who remain unemployed in West Germany, Belgium and other Western countries, to return to their villages.

Of course, all this is unacceptable to the monopolies who seek to extract the greatest possible profits. Thus, the only immediate possibility for the protection of the Greek farmers is for the Greek Government to exercise its veto on the Council, in other words for Greece not to abide by the principle of an integrated market and prices, and to demand what the Greek farmers have proposed. As for the workers in Greece, we believe that they will intensify their struggle for our country to break away from the EEC, to create the conditions for unrestricted economic development guided by the interests of the Greek people.

President. — I call Mrs Martin.

Mrs Martin. — (FR) Madam President, over the last three years, the farmers have seen their incomes drop drastically to the point where, in real terms, they are lower now than they were 10 years ago. Recently, their purchasing power has gone down by 3.9% p. a., although there has been an increase of 2.6% in other sectors of activity.

What social category could accept this sort of situation? What sector of activity would not resist? Agriculture has not come through unscathed. Resistance has been to the detriment of investments, which have dropped by 40-60% over the last two years. And the volume of goods and services bought by farmers has also dropped in some countries — which not only means fewer possibilities of pushing up productivity in the coming years but also poses a threat to the jobs of something like 20 million people working in agriculture, including in the many industries that gravitate round it.

If the farmers have held out, it has also been to the detriment of their way of life and, above all, of their quality of life. Do not forget that, at a time when there is talk about a 35-hour week in almost all our countries, there are many farms where people work more like 70 hours.

Does the Commission realize what the consequences of its proposals will be? Yesterday the Agriculture Commissioner talked about the need to associate the Commission and Parliament, but I, for my part, refuse to have anything to do with proposals that would lead to a lot of farms going broke! Does Mr Dalsager realize that, when he proposes an increase of 9%, the milk producers in my country, for example, will not, bearing in mind the co-responsibility tax, even make up for last year's losses, that his own departments put at a round 7%?

Martin

I personally will support the price increase the professional bodies are calling for, as this is the only thing that will do the vital job of breathing fresh life into agriculture. This sort of increase will make it possible to do away with most, if not all, of the monetary compensatory amounts that everyone, the Commission included, agrees are to blame for unacceptable distortion of competition. But the farmers must be able to actually obtain the prices fixed and this means maintaining the market organization machinery, oiling its works and improving market management and immediately adjusting the assistance for and margins of processing, marketing and storage.

But there is one thing that we categorically reject and that is the Commission's idea that our cereal prices have to be brought into line with world prices. We perhaps need to promote a better hierarchy between the products, but certainly not with a view to one price that everyone agrees is artificial and therefore able to be adapted to suit circumstances. In much the same way, bearing in mind the Community's big deficit in vegetable proteins and oils, should we be rejecting the proposed production target for colza? We might not be hostile to the co-responsibility tax on milk if the prices fixed were high enough, if the first 60 000 kg delivered were zero-rated or only lightly taxed and if the funds collected really were used to enlarge the market inside and outside the Community, in particular by introducing long-term contracts. And if, above all, there was proper respect for Community preference. But in this case, it would only be fair to introduce an import levy on vegetable oils and fats.

It is important to realize that these proposals are acceptable as far as both the consumer and the budget are concerned. They are acceptable to the consumer, because the production price only has a small effect on the finished product. As to the effect on the budget and the questionable figures the Commissioner gave us yesterday — it has to be said that, even in 1981, the Guarantee Section of the budget was practically no bigger than the previous year. Which proves that when the Commission wants to put its back into management, it gets results. And I presume that there is nothing to stop it continuing with and maybe even increasing its efforts. And we still need to know that the failure to respect Community preference in just the cereals sector, for example, costs the budget more than 60 000 000 ECU. So the budget argument, to my mind, does not stand up.

Just at the time we are celebrating the 25th anniversary of the Treaty of Rome, is it not our duty to give fresh hope to all those whose efforts enable the common agricultural policy to become the cornerstone of the construction of Europe? As Charles Delatte said just now, we have to complete the construction of Europe and we have to get the Europeans enthusiastic about it. This we cannot do without the farmers.

(Applause)

President. — I call Mr Davern.

Mr Davern. — Madam President, first of all I would like to thank Mr Curry for at least listening to some of the problems that we have in the Irish agricultural sector, indeed for including some of them in his proposals but it is the end result of his report as a whole which I found totally unacceptable. Of course that may be the consequence of being a toy soldier in a ladies' army. I find that the British Members of this House are inclined to play a little soldiers' game and make a game of politics when, in fact, they are dealing with people's lives and people's livelihoods and the whole structure of society in many countries at the present moment is very seriously endangered.

We are discussing here the Commission's proposals for 9% and included in some extraordinary way is the mandate issue inserted today on the basis of the Hooper report. No conclusion has been drawn on the mandate. The Council and the Commission have refused to reach a conclusion on that and in the absence of an opinion of the Parliament and in the absence of an opinion of the Council, the Commission is attempting to impose its own proposals for the 1982/83 prices.

I think it is sad that the Commission, with people of such high calibre, is now considered throughout Europe as merely being a private Secretariat to the Council of Ministers.

Price improvements this year are based on what the Council would decide on the so-called British budgetary problem. The fact that the Commission, on the basis of the UK's refusal to pay up in the Community budget, seeks to reduce agricultural spending is a complete mockery of the basic principles of the CAP. The fact that the Commission withheld proposing the 1982/83 agricultural prices for weeks, which it did over the period of January and February as we know, while awaiting a Council agreement on the British contribution, should indicate that the Commission has become merely, as I said, a private Secretariat to the Council of Ministers. So the third institution of this Community has effectively vanished of its own free will.

But perhaps it is the overall situation that we should consider. This Community is a big bureaucracy. One part of it was freely elected in 1979 and is considered as somehow having to do with people. Mr Hord remarked here this morning about the price of butter going up in Britain, but he did not mention that Britain has reduced by 33% her total imports from the EEC while she continues to take the cheaper butter from New Zealand, while she continues to enjoy the advantages of a cheap food policy, as she has traditionally done over a number of years. Indeed it is surprising that a country such as Britain can forget that the benefits of the Community are not basically

Davern

agricultural but much more far reaching than that. Witness the fact that they have achieved a bigger market than they were previously able to. Of course it suits Britain to talk in these terms. While the Community imports Australian sheepmeat, New Zealand sheepmeat, New Zealand butter, our Community farmers are expected to starve or give their products away. I come from a country that has an inflation rate of 20%, 9% of which is attributable to the fact that Britain did not join the EMS. We import 55% of our goods from Britain because it is the nearest neighbour, because it is a traditional market, because it is a market easy of access. We import 9% of our inflation because of that situation, including the high rise of the British pound. The Council and the Commission have done absolutely nothing about...

(Interruptions)

We did not leave the pound, Mr Hord, we joined the Community, we had the Community spirit when we joined it. The inflation rate you imposed on us by virtue of the fact that we import from you so much, is a very serious matter. You have driven our farmers particularly hard. They have now had a drop in income of over 50% for a period of three years in a row. You have caused them to be far less efficient, far less productive, and indeed you are in danger of changing the whole structure of life in a rural area. If that changes, so does the political structure of a country.

In our area over half of the population is engaged either directly or indirectly in farming. We look for help from the Commission, we look for help from the Council of Ministers, and we find none there. It is the political stagnation in this Community, the political stagnation within the Council of Ministers, and indeed within the Commission, that I find most serious.

I hope that this Parliament and the people of Europe, the farmers of Europe particularly, will take note of the French demonstration that took place the day before yesterday in which 100 000 farmers protested in Paris — it was not for the good of their health that they went. It was not for their enjoyment. They went because they were seriously concerned about the drop in income, not just for themselves but for their families and indeed for future generations. We are looking, in our proposed amendment, for 16.3%. It is not enough, as far as Irish farmers are concerned. But at least it is the only acceptable price throughout Europe on which there can be general agreement. Anyone who votes for anything less or who accepts anything less will be doing the farmers of our Community a disservice.

I would ask the Parliament to remember that there is some hope that help is on the way. The President-in-Office of the Council of Agriculture, Mr De Keersmaecker, whom I am very pleased to see hear today, was the person who last year amended the Ligios report to include the objective method. Now that Mr

De Keersmaecker is in a position of far greater authority, a position of far greater influence, we hope that we will see a return of the objective method in assessing prices for farmers.

Remember that there is no other area of this Community in which the Council of Ministers, the Commission and this Parliament have so much say in the matter of incomes, yet you can be so dictatorial in your attitudes, those of you who oppose farmers' price increases. But you are cowards when it comes to imposing the same methods on people in your own country. This is a reflection on all the countries and on many of the Members of this Parliament. Let us hope, when you come to consider the rural people of this Community, probably the most stable political element that a Community can possibly have, that if you are not going to be generous, then at least you will be sensible and not cause far higher rates of unemployment — and it is standing at the moment at over 10 million. That is disgrace enough. Don't force people who are used to working a seven-day week, who are used to working long hours, to become, like so many others, the second or third generation of unemployed, as we have in this Community.

(Applause)

President. — I call Mr Vandemeulebroucke.

Mr Vandemeulebroucke. — (NL) Madam President, I would like to begin by congratulating the rapporteur, Mr Curry, on the excellent report presented by him, which contains a wealth of figures and data. In addition, the report gives us a keen insight into the present state of the common agricultural policy and a telling account of a series of deficiencies in the policy on this dual anniversary of 25 years of Community law and 20 years of agricultural policy.

With all due respect for the political argument that the agricultural policy remains a mainstay of the Community integration process, I nevertheless cannot help observing that this policy was all too one-sidedly geared towards the soul-saving premises of rationalization, mechanization, concentration and large-scale production. Indeed the policy is responsible for the fact that, to date, as many farmers have been rationalized as there are currently unemployed people in the Community. A further reason for misgivings is the Community's inability to find a political solution to the economic crisis, because farmers forced to leave the land are a forgotten category in the social legislation and are, in a socio-economic context, the most difficult to reintegrate.

The rapporteur dwells at great length on the problem of the so-called substitution products. Whoever delves into the history of the common agricultural policy knows only too well that neither Mr Mansholt nor Mr

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Lardinois nor their successors were able to outline a workable policy regarding these substitution products. Their efforts towards rationalization and concentration in the so-called efficient agricultural concerns went, as it were, hand in hand with the macro-agricultural interests who saw in the substitution products the perfect ally for increased production to offset low prices. This has resulted in our inability to coordinate a concerted European approach to the problem posed by these products. Worse still, every year we discover various lists of these substitution products and we have, as yet, been unable to formulate an unambiguous definition as to what exactly constitutes a substitution product for grain, let alone develop a clear strategy. Soya is a striking example of this and gives rise to all kinds of controversy; it contains 44% protein and, as such, cannot be considered a substitute for grain which contains only 11% protein. It is high time that we agreed on this matter, especially as the cattle sector can count on the least protection within all of the European agricultural policy.

This brings me to a third point. We agree with the draft resolution's statement that the Commission should be urged to find a responsible solution to the acute problem of farm acquisition by young farmers. It is one of the most critical problems of the common agricultural policy, but, in my opinion, the rapporteur has taken an unduly negative attitude towards the Commission's intention of finally giving real direct aid to farms of less than 10 hectares. Such a policy can and must at this stage be the first step in a new integrated approach within the terms of the mandate of May 1980.

Integrating both the Agricultural and Social and Regional Fund's resources should be applicable not only to the Mediterranean area but to all regions of the Community. Only at that point can we evolve towards a renewed agricultural policy which should lead to a policy of differentiated prices per hectare per region, involving some guaranteed minimum product incomes for the farmer and a decreasing price scale for over-production by the macro-agricultural concerns. Given that such an integrated degressive regional policy is, as yet, only in its infancy I can do no more than lend my support to the average price increase of 16.3% because it complies with the so-called objective method. I keenly appreciate that this will once more give an added advantage to the large producers. But I am reluctant to take into consideration every proposal aimed at restricting price adjustment as calculated according to the objective method which has to withstand the income erosion of the small farmers. As long as they do not receive the protection they deserve I shall continue to refuse every price restriction, because I remain convinced that they, of all people, can be held least responsible for the production surpluses and for a European agricultural strategy whose ultimate objective is that of wiping them off the map.

In this respect I shall lend my support to any amendment aimed at strengthening them in their struggle for survival against the agro-industry.

President. — I call Mr Romualdi.

Mr Romualdi. — *(IT)* Madam President, colleagues, on the occasion of the now traditional fixing of prices, I think it is appropriate to stress that not only because of the enormous amount of money invested in it but also because its results, the agricultural policy continues to represent the greatest achievement of our Community life and by far the most important of the policies which it is our responsibility to safeguard and develop.

This obviously does not mean that we must sacrifice or abandon other policies, particularly those proposed by the mandate of 30 May. On the contrary, I simply wish to point out yet again that the situation calls for a change in the budget's scope and that we must convince both ourselves and our governments of the urgent need to increase our available funds by substantially exceeding the mythical 1% VAT limit.

Let me add immediately, however, that despite its positive aspects, the common agricultural policy has failed to eliminate the serious disparities which exist between the different farms and regions in the Community. In other words, it has failed to promote the policy of convergence which was, and still is, one of the most important objectives of Community policy and of the integration process.

Having said that, I must also point out that without this policy, Community agriculture would never have achieved either security of supplies or stable farm prices.

These two fundamental objectives must form the basis of any innovation or reform and any increase or reduction in expenditure, if we are not to return to a state of disorder, uncertainty and insecurity, and therefore crisis.

We must bear this in mind when considering Mr Curry's proposals but we must not forget either the urgent need, on economic grounds and in the interests of social justice, to protect Mediterranean agriculture and its typical products such as vegetables, fruit, olive oil, tomatoes, durum wheat, etc., which must not on any account be sacrificed to the interests of other regions in the Community.

Although we have tabled a few amendments and will vote in favour of others, I think that on the whole we must support the proposals of the Committee on Agriculture outlined by Mr Curry. They are balanced proposals, even if not quite adequate to offset the adverse effects in certain countries of inflation rates which

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unfortunately still far exceed the proposed increases, though not to such an extent that the economic and financial balance is in danger. The Curry report could obviously be amended in several ways, but we must not lose our sense of perspective and the consequences of making any further demands would need to be carefully assessed.

This, Madam President, colleagues, will be the criterion of the Italian Right during the discussions in which it is Parliament's task to protect not only agriculture but the general economic interests of our Community.

President. — I call Mr Lange.

Mr Lange. — (DE) The report that has been presented by the rapporteur, Mr Curry, on behalf of the Committee on Agriculture is diametrically opposed in the conclusions it draws to the report submitted by Sir Henry Plumb and adopted by Parliament last year. Those who want more than an average price increase of 9% and therefore more than the Commission is proposing must be prepared to be asked how we are going to finance such an increase. I do not need to repeat the figures: they have already been quoted.

They must also be prepared to be asked if they really want no more than an agricultural Community with very shaky foundations. What is being said about social justice for farmers is an illusion. The present price policy — or price policy in general — has never permitted incomes to develop in a way that could be described as socially just. I would therefore like to have seen the Committee on Agriculture putting forward proposals to enable the agricultural policy to be pursued in conjunction with an incomes policy which could be said to be on the whole socially just, one that helps small and medium-sized farms, the farmers and their employees, not one that increases the incomes of the large farms still further, as is the case today. That surely cannot be described as socially just. And the House will be aware that, if the proposals adopted by the majority of the Committee on Agriculture are implemented, we shall be getting precious close to the limits of what is financially possible, and these limits will probably be reached in 1982. The Members concerned really must tell us where they intend to find the necessary resources.

Anyone now calling for the 1% limit to be exceeded knows full well that that would require a ratification procedure and there is absolutely no telling whether the Council as a whole would accept a proposal to this effect at the present time. Even if it did accept it, ratification would take at least two years. In other words, we shall certainly be subject to the present financial limits in 1982 and 1983.

I can only describe any policy formulated without regard for these financial limits as irresponsible

because, instead of tying the various parts of the Community more closely together again, it will be the explosive charge. The agricultural policy has long since ceased to be what it was originally because we do not have a uniform agricultural market but in fact six different agricultural markets. The uniform price is also no more than an illusion with all the implications I have just described. I look forward to seeing the Committee on Agriculture at long last making a constructive contribution to the amendment of the agricultural policy on the basis of Article 39.

We must also stop thinking that the 'watering-can' principle will help small and medium-sized farms and that we must confine ourselves to the agricultural policy because it is allegedly the only policy properly formulated in the Treaty. Anyone who takes a closer look at the Treaties will realize there is more to it than that. They resulted in the establishment of an economic community, and the economic policy with all that it entails is enshrined in the Treaties. No one should deny this and pretend that all that can be clearly based on the Treaties in the Community is a political area.

I would appreciate it if the members of the Committee on Agriculture who support this report tried to answer the questions I have raised. Try to explain to us where the funds needed for your proposals are to come from.

President. — I call Mr Bocklet.

Mr Bocklet. — (DE) Madam President, ladies and gentlemen, the Committee on Agriculture wants an average 14% increase in farm prices, and my group is in favour of such an increase. Why 14%? There is no disputing European farmers' incomes have fallen substantially in recent years. Nor can it be disputed that the number of unemployed in the Community has now risen to over 10 million, which largely prevents an improvement in incomes through structural change, because everyone we drive out of agriculture joins the army of the unemployed.

The only practical way of safeguarding farmers' incomes is to charge appropriately higher prices, and that is why we are in favour of 14%. Against this background, COPA's call for 16.3% also becomes understandable. On the other hand, a figure of this kind must be placed within the general framework, where it must be feasible. We therefore find the proposal for 14% made by the Committee on Agriculture acceptable, all the more so as positive monetary compensatory amounts — and I am now addressing you, Mr Lange — are to be reduced where they exist, thus resulting in a corresponding reduction in farm price increases.

We believe that the prices paid to farmers in countries with positive monetary compensatory amounts should also be increased in real terms and not only in the

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other countries. We cannot accept a situation in which farmers in countries with positive monetary compensatory amounts foot the bill on the grounds that, as the argument goes, the agricultural policy becomes an explosive charge if farm prices are increased by a reasonable amount. From this angle too, the call for 14% seems reasonable to us.

And now to the co-responsibility levy. It was introduced to expand the market and to promote sales. As you know full well, Mr Lange, last year the co-responsibility levy produced 500m ECU for the Community. Of this sum, 100m ECU will be used for specific purposes, and what is more, the butter mountain in public storage has been reduced — at least as far as the public knows — to a mere 12 000 tonnes. I therefore sympathize with COPA's call for abolition of the co-responsibility levy. There are various reasons for our nevertheless being opposed to its abolition: as we are still 118% self-sufficient, we are still a long way from solving all the problems in the milk sector.

We do not know what the world market trend will be. Furthermore, there is no denying that the co-responsibility levy acts as a kind of administrative brake on agriculture. We should therefore keep it, but we should also take two factors into account.

One of our complaints is that, whenever there is a percentage increase in farm prices, the large farms get more than the small farms, and we should correct this by suspending or reducing the co-responsibility levy for small farmers and place them in a better social position by modulating co-responsibility, as the Commission put it. Secondly, we should use the revenue from the co-responsibility levy chiefly for the purposes named in the basic regulation. My group will be tabling an amendment on these aspects.

In his speech yesterday the President of the Council said that the Council would try to raise farm prices on 1 April as scheduled. Parliament will be able to deliver its opinion on this tomorrow. But he was very careful to add that there might be difficulties. To be quite frank, I am rather surprised that a Member State should be trying to gain acceptance for its demands over its contribution to the Community by linking them to the question of the farm price increase. The United Kingdom should realize that this is making the incomes of millions of farmers a pawn in the dispute over contributions. I do not think that is good style, and I appeal to the United Kingdom to agree to the increase in farm prices on 1 April. This will make the conditions very much better for meeting legitimate demands. It will also create much better psychological conditions than a policy under which the farmers of Europe become the hostages of the specific financial interests of one Member State.

President. — I call Mr de Courcy Ling.

Mr de Courcy Ling. — Madam President, before coming to the main purpose of my intervention I would like to express a word of sympathy for the Irish Members of this House in what they have been saying about the problems of the Irish economy. I think that too few of us in the Community understand that Ireland has an external debt greater than that of Poland, amounting to four and a half thousand million pounds, a rate of inflation of 23% still increasing and that Ireland is suffering greatly as a result of its miscalculation in entering the European Monetary System at the beginning of 1979. This is a rather urgent financial problem for the Community, and I do urge the Commission to take a special look at it. It is not, however, an agricultural problem and it is not at all a problem which can be solved in the context of the annual price review.

Now my main point, Madam President, is not, I fear, a new one, but I do urge the representatives of the Commission, Mr Dalsager and Mr Tugendhat, who are here this morning, and Mr de Keersmaecker, to consider it yet again. It is the need for a better coordination of the annual farm price review and the budgetary process. In 30 years of public life, Madam President, I have come to believe that the primary duty of a legislator, like that of any public servant, is to the taxpayer. The major fault of the report, as it has emerged from the Committee on Agriculture, is that it is irresponsible in terms of its budgetary consequence. I was struck by Mr Dalsager's estimate that its cost would be 1 300 million units of account in a full year.

Now what I propose — and I hope that the President of the Council and the Commission will yet again consider this and will summon up the political will to overcome the administrative obstacles — is that in the spring of 1983 there should be an interim price review for the rest of that year and that there should be a further farm price review in the autumn of 1983 to be coordinated with the budgetary process for 1984, so that in the autumn of 1983 the three institutions here together in this building will be able to consider farm prices in the context of the budget. I give notice to the President of the Council and to the Commission that I and some of my colleagues will be looking for this reform as something that we can explain to the electorate before the June 1984 elections. I hope therefore that they will work at it and come back to this House in due course to report on the progress they are making, because only in that way, Madam President, do I think that it is possible to make the work of the Committee on Agriculture more realistic, more responsible, more relevant to the farming population of the Community.

I believe that nothing is more dishonest in public life than to give rise to expectations which cannot be fulfilled, and with the greatest respect to the last speaker, Mr Bocklet, it is absolutely absurd in the present budgetary context of the European Community to encourage farmers to imagine that they can have a

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14% average price rise for the coming year. It is not only absurd but it is dishonourable, Madam President, and I urge all Members of this House to unite in voting tomorrow with a sense of responsibility.

(Applause from the European Democratic Group)

President. — I call Mr Maffre-Baugé.

Mr Maffre-Baugé. — *(FR)* Madam President, Honourable Members, European agriculture is a disappointment to the people who work in it. Was not the original aim to ensure them a living? It is high time to change course, otherwise bitterness will turn into disenchantment and maybe even anger. The only integrated sector in the Community will fall apart and seriously compromise the overall structures of Europe.

Of all the hardest-hit sectors, Mediterranean production is the worst off. This is the poor relation, like Carrot-top, the red-headed hero of Jules Renard's novel, who is either ignored or done down. When things go really badly, we make hasty adjustments with one-off measures. There is no real Mediterranean policy. It's all piecemeal. The Commission is proposing to catch up on prices with a percentage that is out of all proportion to actual needs and emphasizes the difference between North and South. When it does its last-minute interventions in production, it uses complex, belated machinery that tends to go wide of the mark, like a damp squib. Is this casualness, is it incompetence — or is it a deliberate policy? The only measures planned have been designed with enlargement in mind and they are inadequate, mere inducements that foreshadow a policy of free exchange.

The Commission is biased. Some sectors get price guarantees, but the only interventions in our sector are based on indicative prices alone and they are made in what are often unsuitable conditions. And why is the Commission being obstinate? Aren't our farmers men like everyone else? Aren't their needs the same? Why should some sectors be protected and others be neglected and left prey to speculation? Paradoxically, these sectors, like fruit and vegetables and wine, are the most fragile. They are hyperactive markets with the least protection against the effects of the law of the jungle. Ill-regulated trade within the Community and undiscerning imports from third countries upset the precarious balance achieved with a mediocre range of interventions — although it is not these imports which run the EAGGF dry, as only 4-6% is taken for fruit and vegetables and less for wine. But these two sectors provide a lot of jobs.

Two million men work in fruit and vegetables and as many again in wine. And in most cases, these products are grown in areas where there is little or no industry and agriculture is the mainstay. Farmers' incomes do not just depend on price fixing, certainly. They also

depend on other factors affecting the costs of production, but price fixing is still dominant and it is therefore a revealing thing. It reflects policies and political desire and it gives an idea of what prospects are. Annual price fixing is a vital rectification that makes it possible to adjust the balance of farms. And it is a psychological thing which determines the credibility of Community machinery. Let us make no mistake about this. The importance of farm price fixing goes far beyond agricultural incomes. The future of Europe depends on it.

This year, the rural world is in a turmoil. We absolutely have to remember that our vote on prices will help shape Community history. Everyone in this House must realize just what is involved. Their vote is a commitment for the future. Is it an exaggeration to say that if European industry and trade are the heart of Europe, then agriculture is the lungs? Are we going to refuse to invest in agriculture and make it asthmatic and bronchitic? This is what is at stake. This is why, Madam President, I am asking for an average increase of 16% in farm prices, bearing in mind that it is essential for the Mediterranean producers to catch up.

IN THE CHAIR : MR MØLLER

Vice-President

President. — I call Mr Goerens.

Mr Goerens. — *(FR)* Mr President, Honourable Members, thank you for giving me a few minutes in which to briefly comment on one or two basic problems facing the farmers, the consumers and the people responsible for the common agricultural policy.

There are countless technical terms, abbreviations, references to Community directives and regulations and what is often inadequate or misrepresentative information masking the real difficulties facing the common agricultural policy and making that policy look like a caricature. So, by trying to follow the agricultural marathons and the interminable discussions that precede them, many Europeans are getting the idea that the farm price increase, as adopted by the Council of Ministers, means that farmers' incomes go up automatically by the same amount. The idea that a 9% increase in farm prices means a 9% increase in farmers' incomes is an illusion that is, alas, common in the press and even in parliamentary circles, this House included. This systematic misinformation encourages the man in the street to compare the trend in his own income with the increase in farm prices.

There is no shadow of doubt that public opinion is therefore not really willing to understand or accept an

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agricultural price increase that would bring farmers' incomes into line with those in other socio-professional categories. It is clear that there has to be a drive to give the public information so that it does not get the wrong idea. If facts are misrepresented, there are harmful results for the farmers and the consumers.

In spite of all the progress made with European agriculture, it would be tempting, here in 1982, to say that the results are in inverse proportion to the time spent preparing and discussing it. That is not to say that we have to blame the Commission in Brussels for everything that is wrong at the moment. The Commission is not responsible for a political, economic and monetary system that is not conducive to the development of the common agricultural policy. That much is obvious. We should accept it and agree on one thing — even if we do not manage to solve the thorny problem of agricultural prices as soon as we should, we at least ought to recognize, unanimously, that it is the inability of the political leaders in the different Member States that is behind the problems the common agricultural policy has to contend with.

Some men and women — in this case emancipation does not come into it — are calling for a better common agricultural policy and in doing so they are thinking first and foremost of their own national budgets that are running deficits due to the mismanagement of public affairs in their countries. Others demand a bigger price increase than the one the Commission proposes, particularly if it is just prior to national elections, and then miss the chance of keeping their promises. We have hypocrisy on all sides, bigger and better promises that are never kept, more and more political and even budgetary blackmail and all these hopes unfulfilled are of far more concern to us today than the surpluses in some areas of agriculture.

Today we have structural overproduction due to incoherence and a cruel lack of means and decisions. And the result is a serious threat to the basic principles of the CAP. The free movement of products is hampered by certain national decisions. The introduction of positive and negative compensatory amounts in fact means a renationalization of agricultural prices. So is it an exaggeration to go on talking about price unity? I am right in saying, I think, that there are many ministers in the Member States who are anxious to see the back of the common agricultural policy and would be hard put to it to explain how the monetary compensatory amounts work — apart from the ministers of economy and finance, that is, who seem to have grasped the fact that monetary devaluation accompanied by the introduction of negative compensatory amounts can put a brake on the rising cost of living and, therefore, rectify the mistakes their own governments have made. In other words, maintaining the system of negative compensatory amounts is something which may encourage a government to devalue the national currency.

A common agricultural policy devoid of its elementary principles — i.e. price unity, free movement of products and common financial responsibility — is doomed to failure. It has to be said that, without its common agricultural policy, Europe will cease to exist. Which is why I am asking you, Honourable Members, to come out in favour of raising the price proposed by the Committee on Agriculture. And I think it is vital, for the reasons I have given, for us to fight with all the means we have to abolish the monetary compensatory amounts. If we want to keep our independence food-wise, if we are awake to the threat to the one thing the Community has achieved, then we have to give ourselves the means of financing this policy. That is the cost of keeping the common agricultural policy alive.

(Applause)

President. — I call Mr Geronimi.

Mr Geronimi. — *(FR)* The difficulties facing the French farmers on the mainland are very bad and those in Corsica are even worse. Corsica is at the gates of Europe. It has an exceptionally good climate that attracts millions of European holiday-makers. But it is not just a tourist paradise. It is a region with genuine economic problems, an under-developed area which is trying to develop. Modern agriculture, essentially in the eastern plain, and most of the things that make for dynamic sectors are missing from Corsica. Economic dependence on the outside is apparent, undeniably, when the import and export flows are taken into account. Look more closely at imports and it emerges that 153 000 t of the 950 100 t imported are food products and 79 000 t agricultural products. This is a fine paradox for an agricultural region, and we have arrived at it because there is no real development policy that takes the interests of the local population into account, because of the crazy so-called 'territorial continuity' transport policy and because there are no proper training facilities. Corsica has no school of agriculture and no university to date. Ireland, the Mezzogiorno, Sardinia, Sicily, Ulster and the French Overseas Territories all figure on the list of Europe's least-developed regions and get big handouts. But Corsica doesn't.

We propose remedying this disastrous situation, one that is leading to social and political upheaval, by intervening on certain matters affecting the development of Corsican agriculture and by setting up a compensation fund that I shall not go into at length here because I only have a limited amount of time. Something like five thousand million centimes would be needed for this compensation fund every year — which is why we are asking the EEC for two thousand million of them. Let me give you one or two figures for livestock. Corsica has meat imports of 17 000 t and it has 120 000 sheep, the minimum for replacement of the flock. It has to be admitted that the demand for

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livestock is becoming clear. And the same goes for milk and cheese cooperatives in each of the natural regions of Corsica. We need help with the promotion and marketing of Corsican wine. I shall not linger over this, but Europe is being asked for around FF 1 125 000. Now fish farming. The island has a 1 000 km coastline and a wide variety of sites for different types of fish farming. This is something to be encouraged at low cost with one-off demonstrations, which are vital to enable people in the fishing trade to take a decision. And vocational training for farmers and introductory and specialized courses in general hill farming are also a must.

Inadequate structures and infrastructure, particularly in the interior, are obstacles to the development of the Corsican economy and its agriculture in particular. The sparse human settlement, leading to the abandonment of existing infrastructure, increases the likelihood of farms disappearing. The EEC is only being asked for a small part of the means needed to organize the island's economy and get it off the ground. The one-off schemes mentioned, combined with a compensation fund, should go some way towards righting the island's disastrous situation. But the ideal way of helping Corsica develop would, of course, be to make a sum of money available to the professionals so they could step in directly where there are any economically viable projects. Only sound organizations can manage such funds at the present time — the Corsican farmers' union, the FDSEA, and GIVIC, the wine-traders' group. At all events, an EEC mission could well go out to investigate the island's problems and how to solve them.

President. — I call Mr De Goede.

Mr De Goede. — (NL) Mr President, the Commission's price policy appears to be based on various objectives: the reduction of agriculture's share of budgetary expenditure, the improvement of market balance and the development of the incomes of those engaged in agriculture. A major argument as regards the incomes objective is that, if prices do not afford adequate opportunities to improve incomes, national support measures may result, and that may undermine the integrated Community policy. The question is whether the present proposals will prevent such national measures from being taken, because the effects on incomes of the proposed prices will vary enormously from one Member State to another as a result of varying levels of inflation and differences in the relationship between gross and net incomes. Secondly, the price policy, being based on what is known as the objective method, is attuned to modern agricultural holdings — the same being true of the structural policy — and it does not do enough for sub-marginal farms, and too little support is given to arable farming. Member States with a high percentage of small farms will come under particular pressure to

take supplementary national measures. To counter the risk of national measures, the Community itself should take effective action, both under the market and price policy and at the level of the social structural policy.

In this respect, what is done with the support arrangement involving 120 m ECU is important, as it will also be setting a precedent. As regards the three objectives, the reduction of guarantee expenditure seems to have top priority, followed by the improvement of market balance. The incomes objective appears to be under-rated. The way in which the Commission intends to achieve the three objectives is not conclusive. The measures are not effective enough and inconsistent. It is, for instance, very doubtful whether the production objective can be achieved with the help of the proposed indirect production management measures: lower prices and contributions from producers towards costs through the co-responsibility levy.

It is also doubtful whether the general structural measures designed to improve productivity are in line with the market and budget objectives. Mr President, it is not possible for all these objectives to be achieved with a policy for the whole of agriculture. The present policy is geared to efficient farms and should be supplemented by policy measures designed for the broad spectrum of sub-marginal farms, and these measures can take the form of either direct incomes support or an appropriate structural policy. Direct support through exemption from levies is difficult to implement so as to benefit the whole sector. The 120 m ECU the Commission has earmarked for a supplementary policy for small farms is far from enough for this category, and a much larger amount should therefore be provided. The object of measures taken under this supplementary policy must be to improve the livelihood of the smaller farmers to such an extent that employment in agriculture and therefore in rural areas becomes as attractive as possible. This objective cannot be achieved by an increase in production. Many products have, after all, already reached or exceeded their production ceiling. Nor can it be achieved by a general increase in productivity, because that can only lead to higher production and fewer jobs. The social structural policy should be geared more specifically to a reduction in prices at the same production and labour inputs, through more efficient mechanization, for example, and to the earning of additional incomes in non-agricultural activities.

The funds that form part of this policy should be used to stimulate these developments. In addition to this policy, an extension of direct incomes support should also be considered. The Commission's three main policy objectives cannot all be achieved at the same time without sound measures to control the output of, for example, dairy products, sugar and cereals. The co-responsibility levy is not an adequate instrument for this purpose and has undesirable side-effects: higher prices, lower incomes. If production is not controlled, the Community will come increasingly to rely

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on the world market for the sale of many products, which will inevitably lead to lower product prices or a greater burden on the budget, neither of which we want, of course. The objective referred to in the mandate of expenditure on agriculture rising at a relatively slower rate than the budget as a whole should be accepted and achieved without undesirable side-effects. The Commission's expectation that the relatively favourable world market prices will continue to result in lower refunds is too optimistic, and it is not clear what these expectations are based on. The world market has regularly shown how very changeable it can be, sugar and cereals being examples. The Commission implicitly recognizes this unpredictability with its goal of stabilizing the world market. But it is not clear how this is to be done. The best means of achieving the production objective, we believe, is to introduce production quotas on a farm-by-farm basis. By varying the prices of quantities produced within and outside the quota, it will also be possible to keep to the budget — and to achieve the incomes objective. There should be actual differentiation of prices.

These measures, Mr President, could be taken in respect of dairy products, sugar and cereals. In view of the favourable world market situation, there would seem to be less need for a quota system. But this is not a structural situation, and guarantee expenditure on dairy products is consistently high. Making production subject to quotas must therefore be regarded as unavoidable. As regards sugar, the present mixed price system for A and B sugar should be abandoned. The guarantee should apply in full to the A quantum up to the level of Community consumption. The excess should be sold outside the Community at world market prices, and a similar system can be used for cereals. There is some doubt, Mr President, about the objectivity of the objective method of fixing the common farm prices. Taking these reference farms as a basis means that the method is normative rather than objective. Thought must be given to changing the method to include less optimal farms in the calculations. In this context, the Commission should also provide a review of the trend in production costs in each Member State and of the trend in gross and net incomes and the purchasing power of these incomes in each Member State. Only then can we really understand the significance of the price increase.

Finally, Mr President, the Commission should keep a very close watch on the admissibility of national support measures. Our conclusion is that we cannot approve the Curry report, and we shall vote against it.

President. — I call Mrs Seibel-Emmerling.

Mrs Seibel-Emmerling. — (DE) Mr President, the attempt is being made here to use farm prices to pursue agricultural policy, which is completely wrong. We already know who will be the winners and who will be

the unfortunate losers, the small farmers and the poor regions and the consumers, who form the majority of the inhabitants of the European Community, who can only suffer as a result of the decisions of this Parliament, should it agree to these mad demands, which are well above what the Commission is proposing.

Agricultural policy based on prices can only mean the total, ruthless exploitation of nature. The result will be a tractor landscape and endless prairies. It will lead to surplus production instead of inspiring the responsible use of the soil. Chemical companies may be happy with such decisions: if we set our sights unrestrainedly on increased production, they will increase their sales. Unfortunately, it will also increase the incidence of illness and invalidity. We unhappily become aware of the link between denatured foodstuffs and the syndromes of our society only when the major scandals occur, like the hormones in meat. This and the thousands of other unheeded lesser scandals involving foodstuffs can be attributed to a policy that concentrates excessively on prices. No one who still feels a spark of responsibility for the coming generations can agree to our driving farmers and farmworkers to use every last piece of land, hedgerows, what little is left of the wetlands, for agricultural purposes, rather than seeing in their preservation a forward-looking task for our Community.

Another of our tasks is to provide the inflation-wracked citizens of this Community, and particularly those forced to spend an increasing proportion of their incomes on food as their incomes fall, with basic foodstuffs they can afford. In its present form the Curry report — and I feel sorry for the rapporteur for having to put his name to it — would make it impossible for this central task to be performed. It does not offer a solution for the emergency situation I and many others recognize as being the fate of many small and medium-sized farmers and farmworkers, but will lead us into repeated and increasingly difficult crises. As the Commission has admitted in its report on the mandate, the rich get richer and the poor get poorer. This House should not lend its support to this fateful course of action.

(Applause from the Socialist Group)

President. — I call Mr Marck.

Mr Marck. — (NL) Mr President, many speakers have already stressed that farm incomes are not keeping pace with incomes in general and that a substantial increase in prices is therefore unavoidable. What always strikes me is that it is particularly difficult to explain the evolution of the agricultural economy to economists from other sectors. This is also true of the budgetary specialists. Many people still fail to understand that year in, year out farm incomes are subject to considerable fluctuations, which cannot be blamed

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entirely on changing weather conditions. The distribution of the agricultural sector over a very large number of small and medium-sized family farms, the fact that livestock is involved, the constant risk of disease and disaster and the great sensitivity of marginal world trade also result in considerable uncertainty about what results can be expected. At this moment it is difficult to predict what will happen in the coming agricultural year. Last year was a good example of this. Calculations by budgetary specialists therefore continue to be subject to grave uncertainties, for which these specialists cannot, however, be blamed. I find it encouraging that in these circumstances they should feel there is room for improvement in farm prices over and above what the Commission has proposed. I am pleased that my group has unanimously endorsed the call for a 14% price increase, which I have already defended in the Committee on Budgets. The EPP Group has opted for the highest feasible figure. Some of us might have voted with satisfaction and conviction for a 16.3% increase. But they prefer to back the group consensus rather than seek personal success. After the limited political calculations made last week in my own country and in France, I shall be interested to see how persuasive they have been in their own group.

I still regard the objective method of calculating price adjustments as a guide for the general line followed by the price proposals. The outcome is largely confirmed by the farm accounts, which reveal a definite decline in farm incomes in 1980/81. A substantial rise in farm prices is therefore completely justified. I should, however, like to refer to the failure to seize opportunities offered by the market policy, which might produce major savings for the budget. During the recent debate on the Aigner report I referred to the need for a cohesive and dynamic sales policy that sought to penetrate every available market. Better exploration of the international markets and a more commercial approach can help here.

As regards the co-responsibility levy for dairy products, I am well aware that dairy farmers regard it as an additional burden when things are not going too well for them. I nevertheless advocate its retention, provided the conditions are clearly defined. The co-responsibility levy must be retained because we know that, although there has been an improvement, not all the problems connected with dairy products have been solved. The producers must be able at any time to make their own contribution to an improvement in the sale of their products. But this contribution must be adjusted to necessity. What happened last year is unacceptable: sizeable amounts were paid into a fund and they could not be used for the purposes for which they are intended. If there is a need for a transparent policy, this is proof of how not to achieve it. That is why I advocate a basic, but low levy used exclusively for sales-promotional activities in close collaboration with the industry.

To conclude, I should like to say a few words about monetary compensatory amounts. You will appreciate that the introduction of negative MCAs when the Belgian franc was devalued still causes me a great deal of discomfort. The Belgian farmers suffered all the disadvantages of a devaluation without being able to appeal for compensation. They therefore suffered in two ways, not because that was what their own Government wanted, but under the pressure of the French Government, which goes for intolerable blackmail and so jeopardizes the incomes of many small farmers. This is a dangerous precedent, which must be rectified, as agreed, on 1 April, regardless of the debate on farm prices.

Finally, Mr President, I wish to say the following. The farmers of Europe are expected to ensure the security of supply of cheap and high-quality foodstuffs. They also have a very important part to play in the solution of the dreadful problem of hunger. Besides this, they are constantly having to make up for the deficiencies of the Communist economy. If you want them to perform all these tasks, the Commission must accept the proposal made by the Committee on Agriculture and increase farm prices by at least 14%.

(Applause from the Group of the European People's Party)

President. — I call Sir Frederick Warner.

Sir Frederick Warner. — Mr President, I have three points to make. The first concerns the export of dairy produce. My group has tabled an amendment to delete the last line of paragraph 19, which calls for long-term export contracts. Long-term export contracts contain notorious pitfalls. They can be as disastrous for the seller as for the buyer, and that is well known. Before we put our heads into this particular noose, let us just stop and reflect. The Plumb report and the excellent opinion on it given by Mr Jonker were both much more guarded in their approach to this matter. The Committee on External Economic Relations is at present considering it. Lord O'Hagan is writing a report on trade in agricultural products, and Lord O'Hagan's reports are always well worth waiting for. So I suggest that we should not prejudice this issue, but that we should look at it again later in the light of the views of the Committee on External Economic Relations.

Secondly, my group has tabled amendments to the section on cereal substitutes — paragraphs 30 to 39 of the resolution. This is a very important matter, and it is absolutely clear that here we are in a nonsensical situation inasmuch as we are importing cereal substitutes at great cost to ourselves while exporting our own grain surpluses at considerable cost to the budget. Clearly, something has to be done to straighten out this situation, but I doubt if the present text sets about it in the right way. It is clear that the Committee on

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Agriculture has here parted company with the Committee on External Economic Relations and with the Committee on Development and Cooperation. Just look at paragraphs 30, 31, 35: what is proposed here is the imposition of unilateral quotas. Are we really intending to declare a kind of trade war on the United States? Do we mean to tell GATT that we are throwing them over? Are we telling the Lomé countries that they must now go off and get along on their own, without a market for their products in the Community? I do not think so, and I feel sure that we must make it absolutely clear in the text, by the kind of amendments proposed by my group, that we stand by international trading obligations when trying to find a solution to this very difficult problem.

My third point concerns paragraphs 59 and 60 of the resolution, which seek to ensure that there are adequate supplies of beef for processing. It is notorious that such supplies are now lacking. I think the text of the resolution is well designed to correct this situation, but will the Commission please note, and will the Council of Ministers please note when they come to discuss this point, that the main cause of this vexatious problem is the direct encouragement given to traders by the present structure of the refund system to export live cattle? During this last month I have stood in West Country markets, watching the cattle being driven by hundreds on to lorries to leave straight for the Channel ports. From there they go to North Africa; from there they go to Eastern Europe. They go anywhere except on to a Community dining-room table or kitchen table or restaurant table.

The results are plain. In my part of the world, the meat-processing facilities, the abattoirs, are closing their doors. In Salisbury, the large meat-processing plant was closed a couple of months ago. Last Friday, the Chard Meat Company closed its doors. Another abattoir not far away has suspended all its operations for supplying meat to the Community market because it cannot obtain the meat. There are 500 men out of employment. Does this make sense? Surely not. And this, I may say, is not old capacity which is being closed down; it is not out-of-date abattoirs; these are new facilities for which large, generous, extravagant EAGGF grants were provided by the Community. What a waste of men! And what a waste of resources! I personally believe that it is quite possible by readjusting the restitution structure to redirect this meat to European plants and abattoirs and to export it further, if necessary, in processed form, without any loss of revenue of the farmers who are producing the cattle. So will the Council please look at this with careful attention and do something about it?

(Applause)

President. — I call Mrs Barbarella.

Mrs Barbarella. — *(IT)* Mr President, I wish to make a few brief comments on two specific points: the agri-monetary measures and the dairy sector problem.

With regard to the first point, I must confess, Mr President, that every year I am amazed at the way in which we argue, first in the Committee on Agriculture and then in the House, over a percentage increase, believing — obviously in good faith — that the interests of producers or the Community budget depend on whether this figure is higher or lower. The truth is that for many years now it is not the common price expressed in ECU that influences farm incomes most directly but rather the additional percentage increase resulting from the agri-monetary measures of the individual Member States. What I am saying is that incomes are mostly influenced by the system whereby the monetary compensatory amounts are maintained at the highest possible level in the countries with strong economies and the negative amounts are dismantled in the countries with weak currencies. In other words, a percentage point more or less is largely irrelevant when the national governments subsequently have the opportunity to recoup additional amounts in national currency through the agri-monetary measures.

Moreover, Mr President, after two years or so of comparative calm, the monetary situation has now become particularly unstable and uncertain. The devaluation of the Belgian franc and the Danish krone has given the two countries concerned ample room for manoeuvre in the agri-monetary field and consequently substantial increases in national currency. In addition, there are the rumours concerning new exchange parities within the EMS, which could bring up for discussion the entire agri-monetary system and the price levels in national currency in the different countries. In this situation, the common price expressed in ECU to a large extent loses its role of income guarantee and market guideline.

I must make it clear that this does not mean we no longer regard the protection of agricultural incomes as a priority objective. On the contrary, it is precisely because we do see it as extremely important that we wish to set about achieving it in the way best suited to the situation of economic inequality which has arisen over the past few years. In other words, because of the severe disparities in the inflation rates and the widely differing economic situations, it is essential for the increase in prices to be accompanied by complementary measures to safeguard incomes. These complementary measures should, in our view, consist of agri-monetary action or other forms of compensation according to the different situations in the individual countries. Such a complex problem cannot be resolved by the mere fixing of a common price in units of account. As my colleague, Mr Vitale, has already said yesterday, we feel that instead of simply giving its opinion on the figures, Parliament should indicate the criteria on which to base the complex equation 'common

Barbarella

prices in ECU/agri-monetary measures/compensatory measures', the complete answer to which gives the farm income in each country.

This brings me, Mr President, to the second point in my speech: the dairy question. We feel that this problem is central to the solution of imbalances in production and their impact on the budget. In our view, the report of Parliament's Committee on Agriculture fails completely to take account of this aspect. We agree that the flat-rate co-responsibility levy has achieved little. We have always held that a uniform measure could not achieve the objective of reabsorbing production but would only hit the smaller producers, particularly in countries with a deficit. We have therefore pressed hard for appropriate, selective instruments to solve this problem which each year seems to become acute.

In this regard, although not totally convincing, the instruments proposed by the EEC Commission in the context of implementing the mandate at least showed the intention of taking more decisive action. We are therefore extremely surprised to note that in the context of the price negotiations the Commission is again proposing this ineffective, flat-rate levy with, in addition, some modest compensation for small producers. This can only be explained as an attempt on the Commission's part to offer the Council a 'predigested' morsel for its negotiating table, in other words a ready-made compromise. This is extremely irresponsible of the Commission. Indeed, even if the more pessimistic forecasts of expenditure in the milk sector have not come to pass this year and the increase in production has been smaller than in other years, it is simply not true to say that the milk problem has now been solved. On the contrary, it continues to be a fundamental problem, both with regard to expenditure and imbalances in production. The fact remains that a product which represents 20% of the Community's total agricultural production continues to absorb 35% of EAGGF expenditure. And I would point out that of this 35% very little indeed is used to provide real assistance for small producers.

We feel therefore, Mr President, that it is essential to find a way to reduce the intervention guarantee in this sector and at the same time protect the smaller producers. Whether this should involve a progressive reduction in the intervention price according to the quantities withdrawn or a substantial increase in the co-responsibility levy, is irrelevant: it is for the Commission to propose the most appropriate technical instruments.

To conclude, Mr President, we feel that these two fundamental problems — the dairy sector and the price percentage — have not been adequately dealt with in the report of the Committee on Agriculture. We hope that the debate will help to clarify them so that Parliament can adopt an authoritative position

and make a genuine contribution to the solution of the problems of the common agricultural policy.

(Applause from the left)

President. — I call Mr Maher.

Mr Maher. — Mr President, I feel as I listen to the various contributions to this debate that in the Parliament we are tending to attack the symptom rather than the disease itself, because it is virtually impossible at our present stage of development in the European Community, at our present stage of integration — or one might even say disintegration — to fix farm prices which will be meaningful to the farmers of all the member countries of the European Community. That is virtually an impossible task, and I think it is that problem that we ought to be focusing on to see if we can find a solution.

We may do it, of course, in certain ways. We may adopt special measures for countries with very high inflation rates where not even a farm-price increase of 25%, if they got it, would compensate them for the escalation of costs. But that, while it is necessary at the present moment, can only be a temporary solution. The permanent solution lies in more highly integrated policies, a common currency, a common economic strategy, common policies for industry, energy, etc. That is where the Commission ought to be focusing attention, and that is where it ought to be clashing with the Council, because the Council has blocked any measures which would enable us to harmonize inflation rates within the European Community.

I would say to our British friends — indeed I acknowledge what Mr De Courcy Ling said about the special problems we have in Ireland, and I am sorry he is not here now — but after all, who has been doing the special pleading? Who has renegotiated membership of the European Community twice officially, and several times unofficially? Who? Britain! No matter what changes are made, she is still not satisfied, she is still trying to change the rules. She will not take even the first timid step towards real integration, which is joining the EMS: she talks about it for two years, but she does nothing. Now can Mr De Courcy Ling be serious? Who is stopping integration? Who is preventing a situation from developing where we could decide on meaningful farm prices that mean something to the farmers of the European Community?

Mr Lange — he too has unfortunately disappeared after asking questions, but he has an assistant, who can convey the answer to him — asked where the money was to come from if we decided on price-levels above what it would appear the budget could stand. I will tell Mr Lange where it will come from. And I believe the Minister for Agriculture of the Republic of France gave the answer two weeks ago to the Committee on

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Agriculture of this Parliament, when she said, if the prices set at Community level are not adequate, we will not let our farmers down. In fact, she said they would apply national aids, although she did not call it such. That is what will happen, that is where the money will come from; and if the money comes from there, Mr President, there will not be a CAP in future, because many countries, including France, cannot afford to let their agriculture down.

That is where the money will come from; and that is, I think, again where we are missing the point. This is a political question. I would say to Mr Dalsager that when he posed his questions yesterday, he was looking at the problem technically; he was not looking at the political reality. If the prices are not fixed at adequate levels, there will be national aids. National aids are being applied in France at the moment, and there is not a damned thing you can do about it. You can bring the French Government to court, but you are ineffective from the point of view of getting any changes made. That is the dilemma we are in. So I would like you to bear in mind, when you are talking about farm price increases, that if they are grossly inadequate, the national governments will be supplying the resources at national level.

A further point, Mr President. When we consider this question of farm-price increases, we must not look at the farmers only. I would reckon that the farmers get probably less than one-third of any increase. The increase is spread over a very wide body of people, probably hundreds of millions of people in the European Community, because of the dependence of the Member States' economies on agriculture in various ways, including all the service sectors, the input-output industries, etc. So we are talking not only about farmers, but also about other people.

I would say to Sir Fred Warner that I was glad he made the point about the problems of the meat industry and the processing sector. We also have serious problems in Ireland, but I would remind Sir Fred Warner that his group and his government were the one group and the one government who objected most strongly to meat going into intervention. There will inevitably be some meat going into intervention if we have a processed-meat industry instead of the cattle walking off live.

(Applause)

President. — I call Mr Fuchs.

Mr Fuchs. — *(FR)* Mr President, Honourable Members, on behalf of the Socialist Group, I should like to contribute to this farm price debate by making a number of comments and proposals on the interplay between the food situation in the Community and the food situation in the rest of the world, particularly the developing countries.

The developing countries, as we know, are in a dramatic situation. More than 500 million men and women today fail to get enough to eat and tens of millions, especially children, die of hunger every year. At the same time, there are vast areas, in Africa in particular, where food production per head is declining constantly, in spite of the fact that they are still big exporters of farm products — to us here in Europe.

So our choice of agricultural policy is of prime importance to the developing countries too. Directly, as far as quantities are concerned, because we are the world's biggest importer and second biggest exporter and indirectly, as far as prices are concerned, because any choices we make have a considerable effect on world prices too and, therefore, on earnings in those developing countries that export.

I should like to deal with three problems here.

First, sugar. Between 1974 and 1981, our Community sugar policy enabled us to go from 90% to 150% self-sufficiency. And this year, we are in a position to export more than 6 000 000 t to the world market. Yet at the same time, we are claiming to help those developing countries that produce sugar — and some of them have 30% of their earnings brought in by this product. We are claiming to help them with our Lomé Convention guarantee of buying 1.3 million t of their sugar at our internal prices. This is a flagrant contradiction. On the one hand we are claiming to help these countries and on the other we are contributing to the world price slump (there has been a drop from 43 to 11 cents per lb) and in fact helping to ruin the value of the rest of their exports. We should have the courage to tackle this problem and we ought to do so, particularly since the Community has the means with the system of A, B and C quotas. So the question I am frankly putting to you here today is: with the annual fixing of the sugar price rise, should we not also be looking at the matter of the long-term trends in the volume of A and B quotas? I personally am convinced that, if we use prices and quantities, we can make a better job of helping the developing countries without dashing the quite legitimate hopes of our European farmers. And let me say in passing what a wonderful example of this degressive price system, which the French Socialists oppose, the present organization of the Community sugar market is.

The second problem I want to talk about is the milk problem. In the coming years, the developing countries will be importing milk products and we could produce more than we do. So is it a good idea to mobilize our reserve production for export? Although this is a great temptation, I personally think we should be careful. Careful, because we know full well what damage milk powder and butteroil can do in the Third World today if conditions of health and hygiene are poor. Only a short time ago, this House voted a draft resolution condemning the multinationals, Nestlé in particular, which help distribute substitutes for

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mother's milk and thereby make an indirect contribution to the death of thousands of children. We recommended that our Community adopt a directive containing what the World Health Organization says about health in this respect. And we should, I think, be logical and coherent and organize our milk production without too much thought of increasing our outlets in the Third World — as things stand, at any rate.

The third problem is cereals, a field where the situation is perhaps the most dramatic and the most difficult to analyse. The situation is a dramatic one because, as we well know, the developing countries' imports of cereals are increasing at a fantastic rate. In Africa, for example, they are beyond the 100 000 000 t mark. The situation is difficult to analyse because, as we also know, the developing countries' cereal imports, including what goes in as food aid, tend to make things worse for them. Imports alter their eating habits and interfere with local food production networks and so they become even more dependent. So should we export cereals or not? I personally would say, as things are today and only today, that we should. Cereals are not just food, but arms, food used as arms. The USA accounts for more than 50% of world exports and the Community for less than 10%. This is a serious political danger for anyone who thinks that it is impossible to overcome underdevelopment by copying either the Soviet-Communist model or the American-liberalist one. The Europeans, who are now seeking a third way out of the crisis for themselves and for the Third World, have a card to play here.

None of this perhaps seems to have much to do with the European farmers. But I am convinced that a policy that guarantees their income and their working conditions is compatible with a policy of developing the Third World. I hope that this House and the professional organizations will contribute to thinking along these lines.

President. — I call Mr Kaloyannis.

Mr Kaloyannis. — (GR) Mr President, the programme proposed by the Commission to the Council for European recovery and Community integration is a three-sided affair. These include the reform and adaptation of certain points in the common agricultural policy where this would seem purposeful, while at the same time abiding by the basic principles of the policy itself. It can be said that the consequences of applying the CAP for so many years have been absolutely positive, particularly in relation to the results, while the overall cost has not been excessive. No country can do without an agricultural policy. On the other hand, the policy applied by the Community's competitors is no less costly, even taking into account the sum of the Community and the national expenditures. In his last address to this House, Mr Thorn con-

cluded that on the basis of this principle and belief, the Commission took into account the problem of the smallholders and the depressed areas. I wonder, however, whether this principle is safeguarded and taken exclusively into account in the Commission's proposals on the prices of agricultural products and related measures, which are also dealt with in the Curry report under discussion. The objectives of the Commission for the 1980s, for the entire development of agriculture, are:

First, to slow down the production of products in surplus.

Second, to align the prices of certain Community products with the prices ruling in other producing countries, for example the price of wheat with the corresponding American price, a measure which will result in improved competitiveness.

Third, to slow down the rate of increase in the expenditure on guaranteeing agricultural products, by comparison with the rate of increase in the Community's resources as a whole, so that other Community policies can be served as well.

Mr President, these targets may in part be justified. However, the burden of cost will be borne by the small producers, and by countries with serious economic and organizational problems, that are lagging behind the wealthier regions and countries of the Community.

The right way to face these problems is to try also to solve the problems of countries where special circumstances exist, such as Greece and Ireland.

However, even as modified by the report under discussion, the Commission's proposals contain nothing specific and satisfactory. The only exception, which shows that there is some small recognition of these special circumstances, is that the Commission places some weight on the problem of differing inflation rates and states that it will put forward an integrated organizational programme for the Mediterranean regions, in which it is essential for Greece to be included, with the participation of the EAGGF and other financing organs for the development of the programme in question.

As for fixing the prices of agricultural products for 1982/83, for a start I reject the basis of increasing them by 9% on the criterion of the forecast average inflation in the Community. As a basis, this criterion is inconsistent and unjust. Inconsistent, because it sets itself against the Commission's objective, namely to increase the income of all producers who are members of the Community. Unjust, because it creates at least three categories of farmers, namely: first, the privileged, in countries with a low inflation rate. Secondly, those who will perhaps merely maintain their present level of income, in countries where the inflation rate

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ranges around 9%. Thirdly, those unfortunate farmers whose incomes will be reduced to dangerous levels, and I mean those in countries which, like Greece, have an inflation rate forecast to be over 25%.

Mr President, these disparities will be limited if the prices are fully increased by more than the Agriculture Committee has accepted, namely by 14%, with special treatment for Greece which admittedly suffers from the familiar difficulties and special circumstances, particularly when it is borne in mind that her agricultural population fluctuates around about 30% of her working population.

President. — I call Mr Purvis.

Mr Purvis. — Mr President, I think I am the last speaker for this group. I wonder if you could tell me just what the balance of time is for this group.

President. — Thirty-one minutes, Mr Purvis.

Mr Purvis. — Mr President, this is the third time that this Parliament, in its directly elected form, has considered farm prices, and in that time we have all learnt a lot about the CAP, or certainly we should have. Those of us who had a gut feeling against it have begun to appreciate its achievements and its complexities. We have learnt that simplistic solutions of root-and-branch pruning, of destruction or of zero-price increases are not only unrealistic but run counter to the interests of everyone in Europe, be he consumer or industrial worker, be he Briton or Irishman or Greek. Those of us who were concerned only for our farming electorate have begun, or should have begun — and I must admit to some doubts after hearing some of today's speeches — to appreciate that the farmers' interests are best protected in the short and the long run by a realistic assessment of the constraints. This includes public opinion, with its concern over inflation, unemployment and other priorities, and its concern with the financial burden. If we had to charge our electorate directly with the taxes necessary to pay for our proposals, we might be more circumspect.

I would like to see even greater realism among those in this Parliament who seem to think they are doing well by their farming constituents if they disregard all reasonableness, or if they make great political gestures like 14% or 16.3% or 99% — figures that mean very little in practical fact. As Mr Curry has pointed out, the differing inflation-rates, the differing exchange-rate movements, the differing product specializations and the differing regional conditions make an overall average almost meaningless. It is the price for the product which any particular farmer tries to sell that really matters. It is the longer-term assurance of stable growth which matters more to farmers than empty political gestures.

My other and equal concern is to make the urban, non-farming European understand better what the CAP does and does not do. Far from being the villain of the piece, the CAP has assured the European housewife ample supplies, a variety, a quality and quantity of food which few other areas of the world enjoy — and all this for a minimal insurance premium of barely 3½%: 3½p in the £; 3½ pfennigs in the mark; 3½ cents in the franc; 3½p in a punt.

Secondly, the CAP is blamed for all the increases in food prices. In fact, of the increases of the last 10 years the CAP can be blamed for barely 10%: the other 90% is due to bad government, resulting in inflation, to energy price-increases, to processors and distributors clawing back their cost increases. The farmers, on the other hand, have received price increases below the level of their cost increases: they have made up the difference by increased productivity and declining incomes — a fall of 13% in real terms since 1974 in the whole Community, and in some countries of up to 23%. Moreover, while farmer's incomes have declined by that 13%, real incomes in the economy as a whole, including even the unemployed, have risen by 5% — a difference, a diverging difference and a still diverging difference of 18%.

Furthermore, whatever figures are agreed on here or in the Council for increasing prices at the annual price review are translated by the media straight into the shopping basket. The farmer and the CAP are blamed for all food price increases. Frankly speaking, the Commission should do more to explain to the public at large the implications of price increases to farmers and how they really affect the consumer. A price-increase to farmers of 10% — and I choose that figure only for arithmetical convenience — would result in an increase of 2½% in food-prices and of only ⅝% in retail price indices. That is an average. The more heavily a product is involved in processing and distribution, the less is the impact of the farmer's price on the cost of living. Bread, for example, is relatively little processed; but of the price of a loaf, roughly 30% goes for the wheat, 30% goes for energy consumed in the bakery, and 40% goes for distribution. In the case of potato crisps — I know these are not covered by the CAP, but nevertheless as an example — the farmer gets 10% of what you pay for a packet — 1p out of the 10p it costs. Last week, in Scotland the housewife paid £1.60 for rolled shoulder of lamb: after allowing for boning and trimming, the butcher paid the farmer £1 for all his breeding and rearing, and took 60p to cover his shop costs and profits.

If you are worried about the price of food in the shops, a careful look at costs and productivity in the processing and distribution trades might be more rewarding than castigating the farmer and the CAP who have the misfortune of being the most publicly exposed, not least by the PR efforts of those same processing and distribution industries. We do not have an annual part-session to consider what price-increases

Purvis

should be allowed to the processing and distribution trades. Perhaps we should. How would they, their workers and their shareholders have appreciated a consistently dropping real income?

Any system of State intervention, such as the CAP undoubtedly is, must be adjusted to changing circumstances. We cannot expect to get the price increases that are needed and deserved if there is no willingness to incorporate mechanisms which limit the incentive to produce unwanted surpluses, and which limit overall financial liabilities for the budget and the taxpayer. It is therefore wholly legitimate that there should be quantum limits associated with prices which realistically meet the CAP principle of providing farmers with a reasonable income. In fact, only with realism in limiting surpluses and production can we expect adequate funds to give really good prices for the production we do need.

The real problem, however is the incompleteness of the CAP. Mr Lange and Mr De Courcy Ling have mentioned the lack of adequate annual time — links between the fixing of farm prices and the budget. I agree. But I would ask the Commission just how much money there is already in the 1982 budget to cover this year's price agreement. Would the Commission's proposals be covered adequately by what fat there is in the existing budget? Would the Committee on Agriculture's proposals entail a supplementary budget or not?

The essential incompleteness however, is the lack of a proper common market, because the common market and fair competition throughout the Community are still impeded at the national boundaries by technical standards such as health regulations, some of them much more protectionist than sanitary, by border control bureaucracy, by front-door and back-door national aids, by distorting and discriminatory excise taxes on processed farm products such as Scotch whisky and, yes, wine and even by police inaction in the face of unlawful attacks on imported produce as we have seen so shamefully in the south of France recently.

The worst millstone around the CAP's neck is the lack of economic and monetary integration. Mr Maher mentioned this. It is this which causes many of these frontier delays in calculating MCAs. This is what prompts competitive devaluations of national currencies and the green currencies as well. This is what prompts a reluctance to revalue green currencies in countries with positive MCAs. It is this that causes the wide divergences between countries and regions. How can one have a common agricultural policy when the monetary environment, the constellation within which all these nine monetary planets revolve, is unstable, is adjustable unilaterally, can be distorted at will and is heavily influenced by the magnetic field of the dollar constellation next door? That is why the news last week, not from the Agriculture Council, but from the Council of Finance Ministers, is so disappointing. The

Agricultural Committee's resolution calls for British membership of the EMS. This group agrees. But even more important is that the EMS should go forward.

(The President urged the speaker to conclude)

Mr President, I gather there were 31 minutes left for this group, may I proceed? Are there any other speakers?

President. — Not from your group, but you are not entitled to take the group's speaking time for yourself. The group has given me the message that you have 10 minutes, and you have to be disciplined in your group.

(Laughter)

Mr Purvis. — There will then be 21 minutes left.

President. — It is not my fault.

Mr Purvis. — Could I ask you then to amend that to, say, 13?

President. — I will give you 2 minutes now.

Mr Purvis. — We agree wholeheartedly with the Committee on Agriculture's suggestion that Britain should join the EMS, but the EMS itself must keep going forward. Yet if press reports are to be believed, it was the German Minister who prevented acceptance of a Commission proposal which was prompted by this Parliament and designed to bring about that forward step. It was concerned in particular with greater use of the ECU and abolition of legal restrictions on its use. Only when we have a common European currency will we have a workable and fair common agricultural policy.

As a farmer greatly concerned for his bank overdraft and the struggle to break even, as an MEP representing at least as many non-farm electors as those who live on and by the land, I ask Members on both sides of this House to forego political gestures and to concentrate on being realistic and consistent, to make reasonable proposals this year and next, otherwise the Commissioner will be quite justified in considering what comes out of this Parliament on the subject of farming and farm prices as absurd and irrelevant. It will be of much more use to the farmers of Europe if we make the CAP well founded and appreciated by the consumer and the taxpayer as much as by the farmer. It will be more relevant to the long-term future of European farming if we get finance ministers and central bankers in Germany and other Member States to make a determined effort to achieve economic and monetary integration.

Purvis

I say to my colleagues: if you are concerned for the future of farming, for the future of the CAP, for the future of this Parliament's credibility, for the future of the Community itself, then you must settle on more reasonable and sensible proposals. But if we approve anything like the Committee on Agriculture's resolution we will, in fact, damage the interests of farming throughout the Community.

President. — I call Mr Kyrkos.

Mr Kyrkos. — (GR) Mr President, it must be clearly recognized that in the last three years the fortunes of the CAP have been more at risk than ever before, and with them the credibility of the Community as such, because it is being proved ever more clearly that the CAP is a commercial policy that promotes the interest of the major producers and of the wealthy countries in the Community, while being virtually indifferent to the ruin of the small to medium producers, particularly those in the Mediterranean countries. It is a great hypocrisy for us to bemoan the cost of the CAP when the total expenditure involved is no greater than 1% of the gross product of all the Member States, taken together, whereas agriculture constitutes one of the main sources of wealth in Europe. If the European market is one of the most self-sufficient and well-provisioned markets in the world, if Europe can become an even greater exporter of agricultural products, this is because of those very farmers whom we are today refusing to protect against inflation and crisis. And we must not forget that if, today, European agriculture produces its goods at higher cost and is not competitive on the international markets, this is not the result of any failing on the part of European farmers, but a consequence of the very limited resources made available by the EAGGF for its reorganization. Within the framework of European agriculture, the weakest link is undoubtedly Mediterranean agriculture, and this for reasons as objective as those behind the CAP applied up to now. The farming concerns that produce the Mediterranean products are for the most part very small, poor, and badly organized. However, they are located in the poorest parts of Europe, where they control the population with lower incomes and harder working conditions. Any further squeeze on their incomes would result in a wholesale flight from the land, and in an increase in unemployment with all its social consequences. The Mediterranean regions need far greater attention from the Community than they have had in the past.

Fellow Members, Greece joined the EEC for specific economic and political reasons. A prime factor among these was the possibility of better support for agricultural prices and for agricultural incomes. However, with inflation standing at 25%, Greek farmers will see their incomes yet again being drastically reduced if the prices proposed by the Commission are adopted.

In our opinion, a just and quick solution is for the Community to grant higher agricultural price rises. To grant additional income support, from common resources, to producers in countries where inflation is so high that not even these higher increases will match it. To establish mechanisms for the subsidy of large-scale production so as to reduce the production costs, and at the same time to promote urgently a dynamic export policy for Mediterranean agricultural products, and not just strategic products to the Socialist and other third countries. This would relieve the common market from its surpluses and would assist the common budget.

Mr President, at an impressive meeting at the historic site of Kileler, in Thessaly, 100 000 Greek farmers joined the Conference of the Greek Farming Associations last Sunday in expressing their desire for better treatment. Their voice, joining the voices of farmers elsewhere in Europe and especially in Mediterranean Europe, is full of political significance and we feel that the European Parliament should be particularly aware of this.

The Communist Party of Greece, Mr President, has submitted a series of amendments along the lines I have decided, and we ask for these amendments to be received favourably.

President. — I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen. — (DA) Mr President, unfortunately, we have to realize that we are in a period of crisis in the Community at the present time. It may even be that we are at a crossroads and that is something which to a large extent affects the agricultural policy, which we are discussing here. The price adjustments which have taken place in recent years have not gone far enough in relation to rises in costs, and that means that this policy, which is of such importance to the Community, is in danger of being undermined by national support measures. At the same time, we see that the Community in general is in crisis, primarily because of the budgetary difficulties which have been caused by a single Member State. In such a situation, and during an agricultural debate, I think that we should stop for a while and focus our minds on what kind of agriculture we wish to see develop in the Community in the future. We shall not do that by laying down restrictive economic planning frameworks and ceilings, we must have a definite idea of what we wish to look forward to. In my opinion, it should be an agriculture divested of the present extremes. On the one hand, we have a few gigantic industrialized farming concerns in which production is concentrated in very large units. The other extreme is composed of small, in agricultural terms, hopelessly antiquated farms.

Many have devoted considerable attention to the latter type, and I sympathize with those farmers and feel we

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should support them. But it should be done through social and regional policy, it can never be the concern of agricultural policy. What is in conformity with Article 39 of the Treaty and with sound sense with regard to the type of agriculture we should be promoting is what I would call the effective family farm — i.e. a farm of sufficient size to provide a reasonable income, which can also accommodate a certain division of labour and provide opportunities for training. A farm of this kind can afford those employed on it a reasonable livelihood and can yield quality produce to the advantage of the consumer. This type of farm will ensure security of supply, and it is also environmentally the ideal form. We must also be attentive to the latter aspect, since the environmental problems arising in the future may be considerable, and this type of agricultural holding is also the ideal one from that point of view too.

It has also been the Community's own policy to promote this type of farm. This has been done through a structural policy supporting the modernization of these farms, but precisely this type of holding has recently got into difficulty, because many have also embarked on their own account on major investment plans, have taken risks and have made an immense contribution to employment. It is precisely these farmers and these agricultural holdings, on which Europe should build its future and the future system of food supply, which are today in difficulty, and they are the ones we should be supporting.

We should do that most effectively by carrying out a real price adjustment this year. Not an increase in pay, only a price adjustment to cover the increased production costs. We know that the budget does not present any obstacles to this. We know that overproduction problems, created by some, do not arise. The Commission has drawn attention to a growth limit of 0.5% per year, for example in milk production, which is most controversial, and the trend in milk production in 1981, and we know that milk production last year was only 0.3-0.4%. There are therefore abundant reasons for effecting the most realistic, the right price increase. It should be close to 14%, as the Committee on Agriculture has proposed and, against that background, I move that we vote for 14%. I would also urge that, if the Curry report undergoes major changes during the voting on proposed amendments, we vote for the Curry report in its original form. It will be a support to European agriculture, and there is great need of such support in the prevailing situation.

President. — I call Mrs Castle.

Mrs Castle. — Mr President, this is certainly a sorry day to be celebrating the 25th anniversary of the Treaty of Rome. As the mutilated Curry report in front of us shows, the Bourbons of the Committee on Agriculture have triumphed once again. Like Bour-

bons they forget nothing and they learn nothing, or should I say that their memories are highly selective?

They conveniently forget the key phrase in Article 39 which says that the purpose of agricultural policy should be to guarantee consumer supplies at reasonable prices. The originators of the Treaty knew perfectly well that it was a nonsense to go on producing food that we can't afford to consume. They conveniently forget that the basic principles of the CAP, to which they love to refer, have been distorted by political bargaining over the years from that which was visualized at the first Stresa Conference. Certainly they learn nothing, because they refuse to learn that the Community has changed and that the political interpretations of Article 39 which suited the countries of the Six will not work in an enlarged Community.

That is why we have the continuing crisis over the United Kingdom contribution. It was never intended way back in 1957 that a situation should arise in which one of the weakest economies in the Community should become the largest net contributor, but this is what Britain will once again become unless this contribution problem is solved. It was certainly not the prospect held out to the British people at the renegotiation referendum of 1975. They would not have voted yes if they had been told they would be expected to go on subsidizing countries wealthier than themselves. On the contrary! The British Government assured them that it had been assured that the common agricultural policy would be reformed, that surpluses would disappear and that agriculture would take a smaller share of the Community budget, thus solving Britain's problem in a basic way. Now we find what the reality actually is. The Bourbons of the Committee on Agriculture have served notice on the British people. I have heard some of them today saying to us: stop moaning, pay up or get out! Well I give them a warning that the British people will not pay up.

Commissioner Dalsager is right. If the Committee on Agriculture is not prepared to accept the Commission's modest programme for reform, then it is not prepared to reform the CAP at all. Heaven knows, the Commission's proposals are far too timid for my liking. For example, I would hardly call it prudent pricing policy to recommend an increase in the price of milk of 9% when milk production, as we all know, is still rising. An increase like that would mean in the United Kingdom, for instance, that the price of butter would go up by 7½ p a pound. No wonder consumption of butter is falling, and if the Bourbons had their way the increase would be double that.

Indeed the Commission's whole approach to the milk problem is far too timid. We know that they talk about cutting back production. They are going to control it, they say! Well how? The 2½% flat rate co-responsibility levy is to be retained. But we all know what that is for! It does not control production. It is merely a means of raising money. It is in practice a levy on the

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consumer to make the consumer pay for the subsidies which arise from the fact that the consumer already cannot afford to pay the prices that are being charged. It should be abolished, but something much more effective must take its place.

I want to ask the Commission what has happened to Finn Gundelach's bold campaign for a swingeing super levy on all milk production above the level of 1979. We know what happened to it. The Council of Ministers threw it out! Now three years later, when milk production has risen by another three million tonnes since 1979, all the Commission says is that if it rises next year by yet another ½% the Commission will propose what it calls 'appropriate measures'. Now we all know what will happen, don't we? The Council will vote an even bigger price increase than 9% and then throw the 'appropriate measures' out. Oh yes, another deal will be done, and no doubt we will solve the rebate problem on an *ad hoc* basis once again, but the fact is that the reforms we need are going backwards and not forwards.

Take cereals. We have heard about the terrible imports of substitute animal feedingsuffs. The Commission's analysis is absolutely impeccable, because it points out that it is the price factor which dictates these imports. The high cereal prices that have been fixed during the lifetime of the CAP have made our own cereals impossibly unremunerative as animal feedingsuffs. That is why the imports take place, because the cost of production all across the board — pigs, poultry, milk, eggs, beef — has been forced up by the high cereal prices. The Commission is right when it says it is time we closed the gap between the price of EEC cereals and those of our major competitor, the USA. That gap, we are told, now stands, or stood in 1981, at 40 units of account per tonne. We are to close the gap, says the Commission, so what has it done? It has proposed a price increase that would merely close that 40 ECU gap by 4 units of account. No, the Commission's proposals are hardly revolutionary. Yet, Mr President, they are a beacon light of progress compared with the Curry report which is before us today. This Parliament must throw out that report or prove that the Community is incapable of reforming itself.

Now of course a number of farmers are in difficulty, particularly in the poorer regions of the Community, and of course they should be helped. It has always been an integral part of Socialist policy to have a system of agricultural support which gives us the food supplies we need at reasonable prices and which particularly directs its help towards those who need it most. But, you know, even a much bigger price increase than the one the Commission recommends won't do that. The more I listen to these farm price debates, the clearer it becomes to me that we will never properly support those farmers who really need support or distribute the Community's wealth more fairly or have any money left for structural regional and social poli-

cies without a fundamental change in the financing mechanism of the CAP.

The mistake lies in trying to support farmers through artificially high prices that are well above what the market will bear, and it is wrong that the consumer should be expected to bear the burden of financing social policies in agriculture. That should be the responsibility of the taxpayer, as it is in other fields, and the consumer will not tolerate the continued burdens that are placed on her. We have got to get away from this political pricing back to economic pricing and then help those farmers who need more help through direct aids. Those countries that want to give their farmers something over the odds, for social or political reasons, should carry it on their own national budgets and not expect to universalize it over all the consumers of the European Community.

No wonder they are disillusioned on this anniversary day. No wonder the Community is going round in circles. It cannot expand and it cannot breathe because it is caught in these distortions of the originators' ideas. The amended Curry report is a monstrosity, taking us back to the darkest days of the CAP. I am sorry Mr Curry has not had the courage of his previous convictions and come here and told us that he would refuse to present the report to Parliament and that somebody else must do it. Other rapporteurs have done that when they said: sorry, my report has been so much amended that it is no longer mine and I cannot advocate it. Mr Curry gave us a very clever speech, he always does, but what this Parliament needed to hear was a wise one. I wish he had placed himself today boldly at the head of the reform that we all know is well overdue.

My British Labour Party colleagues and I will vote against the Curry report. We shall also try to toughen the Commission's will and to improve its policies. Above all we shall continue to argue, and try to prove to this Parliament, that only fundamental reform will meet the needs of farmers as well as the general public in the Community. I must add in concluding, Mr President, that we don't hold out much hope.

IN THE CHAIR: MR DANKERT

President

2. 25th anniversary of the signing of the Treaties of Rome

President. — President-in-Office of the Council, President of the Commission, ladies and gentlemen, it is difficult to take stock of the first 25 years of the European Community and much easier to say how things stand in the Community today: the situation in the European Community today is bleak.

President

Does this mean that the past 25 years were also bleak?
No.

A great many decisions of real importance have been taken since 25 March 1957.

The signing of the Rome Treaties ushered in a period which was to change the underlying course of European history.

I shall quote two examples which, to my mind, clearly illustrate this.

One of the guiding concepts of the founding fathers of Europe was Franco-German reconciliation. After all, conflicts between those two countries had brought Europe to the verge of the precipice in the nineteenth and twentieth centuries.

The idea of developing a common market for coal and steel into a Community capable of creating a political climate in which the idea of a conflict which might escalate to such an extent that the only 'solution' would lie in the use of force could appear inconceivable, was revolutionary despite its simplicity.

The implementation of that simple idea and all it entailed has brought us today, 25 years after the signing of the Treaties, into a situation where conflicts and problems naturally still exist but in which nobody would think of resorting to a violent solution.

That, to my mind, is a point which cannot be stressed too highly. All too often this situation is taken for granted.

A second major achievement has been the creation of customs union, a policy on competition and a common agricultural policy. Here too creativity and courage have led to the development of a multinational policy capable of guaranteeing food supplies and growing prosperity for the European Community.

The economic strength of the Community brought in its train the need for political responsibility. The Member States have slowly begun to draw the necessary conclusions — although they have done so partly outside the framework of the Treaties. The conference of Heads of State or Government has been given institutional form in the European Council. To begin with strong endeavours were made to keep political cooperation separate from the province of the European Community, although the European Parliament was involved in it. Now the governments and, in particular, the Foreign Ministers are tending increasingly to coordinate their positions on international conflicts.

Political cooperation has created a situation in which the Community is being taken increasingly seriously by third countries not only for economic but also for political reasons.

We have good reason to celebrate the existence of the Treaties of Rome and to note with satisfaction that these Treaties have helped to strengthen peace among our European democracies; but let us not turn a blind eye to the internal decay of the Community.

In establishing the Community the Member States assumed certain responsibilities as regards their own pattern of behaviour and also the effectiveness of its institutions.

Those responsibilities are not an end in themselves but serve to attain the objectives defined in the preamble to the Rome Treaties which have lost none of their relevance:

'Resolved to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe.'

It would be illusory to suppose that this economic and social progress could be achieved through independent action by the Member States. A process which today harms the Community while seeming to benefit individual Member States will lead tomorrow to the collapse of the Community and harm all its member countries — by which I mean the citizens of those countries.

The future is inevitably uncertain. We must recognize that uncertainty and, accepting our responsibility to our peoples, do more than merely exacerbate the mistakes committed in the past.

To do so we must in the first place openly admit the wrong paths taken by the Community. These errors have been made in both the political and institutional spheres. At the political level we have reached too many weak compromises. May I remind you here of the misguided developments in our agricultural policy and of our inability to see practically all our common policies as anything other than the sum of conflicting national interests.

Alongside the lack of determination and of a clearly charted course for Community policy, we also observe that the institutions of the Community have lost their legitimation and effectiveness. It is not enough to quote direct elections to the European Parliament and the increase in its budgetary powers as positive factors in the amendment of the Treaties. Abandonment of the principle that the Council should take majority decisions and the limitation placed on the freedom of manoeuvre of the Commission by the governments of the Member States, are, in the long run, undermining authority, throwing the institutional system out of balance and encroaching on the already restricted influence of Parliament.

What point is there in paying lip service to the strengthening of democracy in the Community through the strengthening of the role of Parliament, if, at the same time, the governments of certain Member States or the

President

Council as a whole have chosen to make it difficult for Parliament to exercise its rights?

There is no cause for the European Parliament to indulge in solemn commemoration when we see that the Council, instead of complying with the obligations to cooperate imposed on it by the Treaties, is endeavouring to undermine the rights of Parliament and treating Parliament with disdain.

If the Council — an institution of the Community — behaves simply as a forum of national bureaucrats and, as has happened frequently of late, invites Parliament to negotiations only to inform it that there is unfortunately nothing more to negotiate because the Council has already taken a decision, this can only be interpreted as the arrogance of power which has little to do with the ideas underlying the Treaties and confirmed by later summit conferences which advocated direct elections and legislative powers for Parliament.

Commemoration of the 25th anniversary of the signing of the Treaties of Rome is also an occasion to draw attention to the tendency to provide the smallest possible binding juridical basis for political and institutional progress. Accession treaties and treaties on the budgetary procedure, in the context of which the Court of Auditors of the European Community was set up, have admittedly been concluded but the European Council and the whole sphere of political cooperation are still not covered by new treaty provisions. And so an ever-widening grey area which escapes political and juridical control, has arisen.

Although we may readily understand the fear that any amendment of the Rome Treaties might loosen the existing fabric, we cannot in the long run accept a situation in which no new stable foundation exists for future progress.

This does not mean that we are casting doubts on the value of arrangements concluded to provide a finer definition of the Treaty provisions. But formal decisions are essential if our cooperation is to extend further.

The European Parliament itself will be making its contribution by submitting the preliminary draft of a European basic law. But that too cannot in itself suffice to set in motion the necessary process of further European integration with the involvement of those who hold political responsibility in the Member States.

Aware of the qualitative change which direct elections have brought to the life of the Community (since 1979 each individual elector has been involved directly in the EEC instead of being represented exclusively by his national government or national parliament), Parliament must exert a direct influence on the problems facing its electors in order to mobilize public opinion in support of a European solution to European problems.

If, through the emotional impact of our arguments and the conceptual strength of our proposals, we manage in this Chamber to bring home to public opinion our views on problems such as unemployment, energy, security and agriculture, we shall be able to compensate our lack of formal powers by our political authority.

Ladies and gentlemen, this means that we must base our proposals on detailed political preparations in close contact with contemporary economic reality; it also implies that, in the last resort, our collective interest will be better served if we organize our plenary debates in such a way that a few Members say a great deal rather than many Members saying very little.

If we succeed in this, it should be possible to motivate collective organizations to exert the pressure necessary to turn our proposals into practical policies.

However paradoxical this may sound to some of you, at the very time when the Community is living through an extremely difficult crisis, it is up to us in the European Parliament to show that things can be different in Europe.

And so we have a great responsibility. It seems to me that a part of our responsibility can only be discharged in a more informal framework. At this time when the Community lacks general political objectives, I believe it would be opportune to strike out on a new path, with the cooperation of both employers and employees, and set down our definitive conclusions in a 1983 version of Messina.

Time is running out. Political and social imperatives make it impossible for us to delay any longer in our efforts to set back on its true course a rudderless Community in which the ranks of the unemployed are being swollen each month by 180 000 more persons.

Let us bend all our endeavours to that end.

Mr Tindemans, President-in-Office of the Council. — (NL) Mr President of the European Parliament, Mr President of the Commission, ladies and gentlemen, we have solemnly gathered here today in Strasbourg to commemorate the 25th anniversary of the signing of the Treaty of Rome. This is a time when many speeches will be made to explain the importance of the European Economic Community. But there is no denying that it is a difficult task in 1982 to recall the atmosphere prevailing in Europe and the world in 1957 and to pay a just tribute to the heroic efforts made at that time by a handful of politicians and their collaborators. It can still be said that the establishment of the European Coal and Steel Community was a revolutionary act since coal and steel were the strength of the industrial countries and both products had been the cause of dramatic conflicts between European

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countries. Other factors which played a part harked back to pre-war conditions. The statesmen did not realize at that time, of course, what the future would bring.

The European Defence Community had its origins in other factors: the cold war, the fear of new conflicts, the need to make a serious defence effort at European level. This proposal failed because of the strength of the nation States. Different motives again lay behind the establishment of the European Economic Community and the European Atomic Energy Community. The most far-sighted statesmen still remembered the economic crisis of the 1930s very clearly. They were obsessed by the economic mistakes which were regarded during that period as sound policy by our countries: economic nationalism, protectionism, autarchy and currency manipulations. They were also apprehensive about the difficulties which, according to all the forecasts, would inevitably occur in the energy sector. Hence their proposal for the establishment of an economic community and an atomic energy community.

Mr President, we can, however, say without fear of deceiving ourselves that the reason why these excellent ideas were able to assume definite shape was that the actual proposals were based on a profound conviction, on faith in European solidarity.

My compatriot Etienne de la Vallée-Poussin once described this phenomenon in the following terms: 'At this time, thanks to the vigour that carried along all the "fans" of the European movement, Europe abounded with enthusiastic partisans. In a way it can be said that a new ideology was born, as general and fruitful as Liberalism and Socialism had been at an earlier stage. The questioning of nationalism indicated a more open, more prosperous, better defended society on the horizon, presenting itself to the world as a rejuvenated continent, one that had learnt from its pitiful experience, a bearer of messages of peace, of universal brotherhood, of social progress, in a new spirit of cooperation among the classes. The federalist group which emerged in the political fora also brought a political doctrine capable of inspiring the creation of the structures of the new Europe. Many socio-Christians, Liberals and Socialists were to find in federalism elements that rejuvenated their own doctrines. In a very diffuse but general manner there emerged a plan for a new Europe where, within a strengthened democracy, the synthesis of many previous conflicts and aspirations might be achieved.'

These words give a clear picture of the vigour that existed in the 1950s. This enthusiasm, this conviction, this commitment have resulted in great achievements.

I shall not enumerate all these achievements. Who, anyway, is more aware of them than the Members of this European Parliament, elected by universal suffrage, the sole expression of the will of the people at

European level? The generation of the 1950s had a great deal of courage, political will and imagination.

This was expressed brilliantly by Paul-Henri Spaak when he declared in 1957: 'This time men of the West have not lacked the courage and they have not acted too late.' Allow me to repeat these words: 'This time men of the West have not lacked the courage and they have not acted too late.' And he went on: 'The memory of their misfortunes and perhaps of their mistakes seems to have inspired them, given them the courage needed to forget the old squabbles, to cast aside antiquated traditions, so that they might think and act in a truly fresh manner and achieve the greatest voluntary and controlled transformation in the history of Europe. They did a great thing and, what is remarkable and perhaps unique, they did it while renouncing any use of force, coercion and threats. It is this appeal to intelligence, wisdom and solidarity that reveals the true nature of our work. That is what makes it an achievement of our time: a striking manifestation of the riches of a civilization with a past so weighed down with greatness that suddenly a new awareness makes it seem so full of youth, hope and future prospects.'

And in his memoirs he added: 'The Treaty of Rome marked the triumph of the spirit of cooperation and the defeat of egoistic nationalism. Those who had seen the venture through were inspired by the same convictions and the same ideal. Without in any way denying their attachment to their respective countries, they proclaimed the need to unite them to safeguard their economic power and hence their political strength. They were certain that, in so doing, they would halt the decline of a civilization and restore to the continent of Europe its rightful place and its influence.'

Mr President, since that time many things have happened. And if he were still with us, Paul-Henri Spaak would without a doubt show his disappointment. We have returned to a world characterized by a serious economic crisis, monetary disorder, the resurgence of all kinds of nationalism. It is becoming difficult to predict where Europe's future lies and what our fate will be. It is not therefore enough today to eulogize the Treaty of Rome and its founding fathers. An anniversary of this kind compels us, and certainly a European Parliament elected by universal suffrage, to examine our consciences and, in the spirit of 1957, to seek the means of continuing the work that has been started.

It might be said that defeat is in the eye of the beholder. People are sometimes heard to say that the period of European creativity that coincided with the 1950s is a thing of the past, that we are doing no more than living on the achievements of that age and that the present generation no longer has the will or the courage to do what obviously needs to be done.

Mr President, I refuse to believe this. What is true is that more and more politicians in positions of respon-

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sibility no longer remember the misery of the pre-war period, that there are increasing numbers of politicians for whom the war was not a tragic period in their lives and who were not personally involved in the pioneering work done during the post-war period. They too are children of their time, and there is a real danger that the imperatives of European integration will not weigh on their conscience as was the case with their predecessors. The European Parliament must assume the task not only of constantly reverting to the original texts but also of repeatedly recalling the reasons for integration. If these reasons are forgotten, our work loses much of its meaning and we shall sink back into the methods of classical diplomacy, with a few instruments added, such as the Commission and Parliament. But if sight is lost of the principal aims, these essential organs will lose their vocation and thus their *raison d'être*.

I said I refuse to believe that creativity has died out in Europe or that our generation does not have the courage and insight to do what is vital for our countries and therefore for Europe. I can consequently do no more than urge you together to fight the economic crisis and unemployment. I will emphasize once again the need for the European Monetary System to be strengthened, for Europe to be given a social face, for the adoption of an energy policy and for greater political cooperation. Achievements are always possible. On Monday of this week the Council at last approved the establishment of the European Foundation. I hope that this will result in greater *rapprochement* among our countries and peoples and that the feeling of togetherness will grow in the Community. Without this feeling of togetherness we shall never have the support we need from the grass roots, from the people, if we are to perform our task satisfactorily. Not so long ago, ladies and gentlemen, there were constant references to the American challenge. At the moment the Japanese challenge is under investigation in all the Member States, but come what may, it is clear that the supremacy of Europe in every area — cultural, scientific, economic, financial — that characterized the world for ten centuries is now a thing of the past. Evolution is such that Europe must now gather all its strength and energy if it is to continue to occupy a proper place in the world. Some people have not yet realized that this is so, but is there anything worse than people who refuse to face facts?

The fact is that the real challenge Europe faces is not primarily an economic one, but one of mentality. Are we still capable of lucidly analysing the situation and of acting on the conclusions we draw? In other words, develop the mentality and find the will to do what must be done in order to give an effective European answer to the major challenges of our age?

I am prompted to ask this question by the 25th anniversary of the signing of the Treaty of Rome. In 1957, in far more difficult circumstances, at a time when memories of a fearful war were still very much alive, at

a time when no one dared to predict whether peace could be maintained, brave men and women brought two new and extremely important European communities into being. I hope that now and in the years to come enough politicians will be found to decide what must be done to meet the needs of the present and the future, that Parliament, the Commission and Council will continue to find their inspiration in the spirit of 1957 and that each in its place will perform its tasks to the full. That is the bounden duty of all those involved in these institutions. When our peoples realize that this duty is being done, they will lend their support and new achievements will give greater and better shape to the European ideal. That was, after all, what the signatories of the Treaty of Rome intended.

(Loud applause)

President. — I call the Commission.

Mr Thorn, President of the Commission. — (FR) Mr President of the European Parliament, Mr President-in-Office of the Council, ladies and gentlemen, as we have just been reminded, there has been no shortage of people over the years — and this is one of the rare and remarkable things in our history that never changes — to say that a united Europe alone could guarantee peace and prosperity.

From Dante to Sully, from Victor Hugo to Valéry and Aristide Briand, if you like, from Comenius to Kant and Nietzsche and Manzini and Saint-Simon. And more. All of them, from Denmark to Catalonia and from Bohemia to England, shared a lot of ideas and concepts that are still surprisingly modern today. But we still had to wait until the twentieth century for these people to stop being poets and so on, for their ideas to stop being pipe dreams or plans of visionaries and become reality. And the horror of the last two world wars has showed Europe the deadlock to which fanatical nationalism leads and the sterility to which internal division condemns it when new superpowers and large-scale economic structures emerge. We must remember, when we are being so impatient today, that it took the will — as President Tindemans said just now — and the lucidity of a group of men to change the course of history.

And if war between our ten nations is out of the question now — this is so obvious now that all of us, particularly the younger generations, think of it as quite natural when in fact it is an extraordinary achievement — it is thanks to those men. For the past 25 years, and for the very first time in our history, no-one thinks of fighting in Europe. Not much, perhaps, but for just this we owe them our deepest gratitude.

(Applause)

What this handful of men did and said 25 years ago was revolutionary and, above all, prophetic. Their plan

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brought the nations of Europe together. It turned a tumultuous and war-torn history into a common destiny. And, as far as we are concerned, it is the grand design of the century. Certainly, as we are all aware, it did not emerge spontaneously from a popular uprising as revolutions do. The founding fathers themselves were pragmatic about it and concentrated on the economy first of all, thinking that the snowball effect would be automatic — which it has not been. They planned for a series of steps forward which would gradually establish practical solidarity and *de facto* and *de jure* unity between the member countries and their peoples that would one day be irreversible.

Europe has always had its problems. Do not forget, ladies and gentlemen, that back in the 1950s, the first people to work for European integration came up against virtually insurmountable barriers and had their crises even then. Crises are nothing new. After the splendid beginnings of our Coal and Steel Community, the failure of the Defence Community led, in 1954, to the failure of the political community and barred the rapid way to political integration four years after the ECSC. So implementation of the Treaties of Rome became the second stage along the wide path to European unity.

Perhaps this outline will help us understand why, now, in spite of impressive progress over the past 20 years, we have to admit that our achievements and our institutions are fragile and inadequate to cope with the challenges that are greater today than they were yesterday and could well be greater tomorrow than they are today.

I should have liked it to be otherwise and for congratulations to be called for. But, alas, the atmosphere of the 25th anniversary of the Treaties of Rome is more conducive to serious and lucid thought. Let us not avoid the issue, ladies and gentlemen. It is the least we can do. It is the least tribute we can make to the founders of Europe.

What Europe has achieved, as I said to this House two months ago, seems to me to be seriously threatened by nationalist and protectionist tendencies — which are normal at a time like this — and by the short-term measures that are getting increasingly common in the Member States as the economic crisis worsens, as unemployment rises from 10 to 11 million and maybe even 12 by the end of the year, as firms are closing down and as public deficits are climbing further. The crisis, logically, is likely to widen the gaps that already exist. And to weaken the spirit of solidarity and internal cohesion. And this is what we have to fight.

The idea of Europe seems to have lost ground in the eyes of the public — which accuses it of being powerless and sometimes useless when it comes to the crisis and international tension. More basically even, we should be wary about any waning of the European

commitment and of the political will to achieve the construction of Europe.

We can get the measure of the phenomenon by looking at the discrepancy between the targets fixed by the Heads of State or Government for economic and monetary union, European union if you like, and the actual achievements of the past decade, the 1970s.

So you see, to an increasing extent I feel that there is a direct link between the waning of the European idea and the general use of the rule of unanimity in the Council, which we have been seeing since 1970 and which is counter to the spirit and the letter of our Treaties. Once again I have to say that this has not just reduced the Community's ability to take decisions. It has also made the institutions more cumbersome. We are all aware of this. Texts which are often a simple matter of everyday management and of no special importance are systematically subjected to the rule of unanimity and only adopted, if ever, after interminable discussion. Unanimity has also, and above all — and this is what I really wanted to say — perverted the spirit of the Community and changed the behaviour of the people involved in it by legalizing, if I may put it that way, the refusal to compromise.

(Applause)

It has also allowed national interests and national obstinacy to prevail over Community interests, thereby rewarding negative attitudes.

(Applause)

One of the best illustrations of the cumbersome way the Community operates, to put it mildly, is certainly, ladies and gentlemen, something you are discussing today — the mandate of 30 May 1980. Eight months of talks, two European Councils, not to mention the next one, five ministerial sessions and mediation twice by the President of the Commission and then by the Presidents of the Council and the Commission. And still no general agreement.

So, although it gets more urgent every day to relaunch the integration of Europe and develop new Community policies — which will finally enable us, not just the Community in the abstract but all the Member States, to put up a more effective fight against unemployment and take up the challenge of the 1980s — the governments and the Council are hesitating to make the vital little sacrifices and putting off the decisions that reflect their solidarity.

Of course, as Leo Tindemans said the day before yesterday: 'A prospect, a hint of agreement has emerged on the question of the budget, which is the essential barrier to general agreement on the three parts of the Commission proposal'. Today's extraordinary Council meeting should, to his mind and to mine, be the occasion for the overall decision — and I say overall

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decision — on the mandate as we understand it. I fervently hope that it will. Ladies and gentlemen, it would be unacceptable for this meeting to lead to more shilly-shallying and more delays. We shall get the opportunity of talking about this tonight, but what is wrong with appealing to all those people concerned, and that means all, right now?

A superficial observer might see no similarity between post-war Europe and Europe today. But, ladies and gentlemen, the fundamental reasons which made European integration vital in the 1950s are still there today and they are every bit as valid. I should even go so far as to say that, in some areas, they are even more valid than they were 30 years ago.

Is not a European approach vital in technology and economic and social matters today? Is it not vital to fulfil our people's legitimate hopes for greater well-being? Is not European unity as necessary, perhaps more necessary than before, to save our nations from decline and slavery and to keep their collective independence? Is not European unity as necessary, more necessary than before to go beyond the diversity of our cultures and safeguard our languages, our traditions, a certain European identity and personality and keep originality? I make no bones about the fact, Mr President, that the great challenges facing the nations of Europe will have to be taken up, at home and abroad, if we are to be on a firm footing in the twenty-first century, and that they mean more, not less Europe. They mean greater European integration. Take it or leave it — it is our only chance!

If our performance in technology and industry is, let us be honest about this, far behind that of the Americans and the Japanese — and President Tindemans mentioned this just now — we still do not have enough influence in the world today — and who could deny it? — and if our awareness of our common destiny is still too small, it is because there is not enough Europe, because we fail to capitalize on European assets.

(Applause)

It is also, I have to say, as you mentioned last night, because, all too often, Europe means a bureaucratic structure far removed from the people. The time has come for our Community to make further progress in this period of crisis, to leap forward and cross a new frontier. This is the only thing that will prevent it from splitting up under the staggering weight of crisis and tension.

This may come as a surprise, but I think that here, as in many places, the best defence is attack. We, you, the political leaders, have to overcome disagreement and failure. We must not allow ourselves to be resigned and skeptical. Now is not the time for that. Far from it. Whatever our job, Commissioner or Minister, we must convey to the people of Europe our

conviction that the only way to avoid decline is economic and political integration.

(Applause)

And if the people of Europe were deeply aware of this, if they were convinced of it, we would have the basic condition for a successful relaunch, for the political will which was behind the construction of Europe and on which permanency depends, would flourish once more. Anything would be possible. And everything is still possible.

To start with, we have to restore the EEC's decision-making powers by going back to the Treaty and sticking to the basic principles. We have to complete the internal market that is more vital now than it ever was. We have to launch new Community policies. And we have to overhaul the monetary system. All this is essential if we are to win the battle of investments and the battle of growth and employment, which has to be our priority number one. Secondly, the development of European union and the political personality of Europe is out of the question — and I am quite serious about this — unless the role of the European Parliament is reformed before the next elections. And why not, Mr President — and I am grateful to you for having brought this idea up again — at another Messina meeting 25 years on?

This, ladies and gentlemen, is what we should all be building over the next two years if we are to preserve and strengthen the heritage of the founders of the European Community. And if we are to show we are worthy of the task and can live up to their memory.

(Loud applause)

(The sitting was adjourned at 1.20 p. m. and resumed at 3.15 p. m.)

IN THE CHAIR: MR LALOR

Vice-President

3. Fixing of agricultural prices (continuation)

President. — The next item is the continuation of the debate on the agricultural prices.

I call Mr Clinton.

Mr Clinton. — Mr President, may I remind you that in my group one speaker has had to leave and that that

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that gives us an extra five minutes. I am doing this for obvious reasons, because I dislike the sound of the gavel so early after lunch.

I am sorry that our colleague, Mrs Castle, is not here because I think all of you will agree with me that we had comedy of an unusual kind just before lunch when she wept openly in Parliament about what she described as the 'mutilation of the Curry report'. And later on she went on to attack Mr Curry for not walking out when the Committee on Agriculture carried out the normal amending process that takes place when a report is before a committee.

Not that I have to defend Mr Curry. I think that he is to be commended for standing his ground and correctly and graciously accepting the amendments put forward in the Committee on Agriculture and for the way in which he faithfully presented the result of the work of the Committee on Agriculture here in this House.

I want to say that it is simply nonsense for us to go on talking about common prices when we continue to ignore the many variables that exist between the various Member States — variables that result in vast differences in the actual prices received. I am referring, of course, to the enormous differences in inflation rates, bank interest rates, national aids, input costs, the size of the home market, the percentages of output which have to be exported and, in the case of peripheral countries, distance from the markets and, finally, differences in monetary compensatory amounts and differences in the products produced.

If we are to have fair play and anything like equality of reward with equal opportunities to compete, the Commission will have to put forward proposals that are designed to overcome these vast disparities.

So far, the Commission has failed to do this. I know it is not an easy job, but it must be attempted and there must be a very serious attempt made to try and deal with these disparities. Admittedly, there have been some special aid measures, but these measures so far have in no way compensated for the disadvantages suffered in certain regions.

As a result of the policies followed in the past three years, farmers' incomes have dropped considerably in almost every country and have dropped drastically in some Member States.

In Ireland, the country I have the honour to represent, incomes are now 50% below the 1978 level and the volume of production dropped last year by 3½%, indicating the shortage of money to pay for the necessary inputs and, of course, an overall loss of confidence generally.

We have had also the enormous problem of very high bank interest rates and loan repayments, which have

bankrupted many of our farmers who, incidentally, were previously doing reasonably well.

We are a livestock-producing country and stock numbers are greatly reduced by compulsory selling to pay debts. I am explaining this situation deliberately so that it will be understood that no normal price increase alone will solve our problems. There must be additional measures in our case that would provide income in the coming year because the flight from the land has already resumed. This will cost the Community much more money than if farmers were unable to get sufficient income from their land. The price of 14% proposed in the rapporteur's report represents, for me at least, the lowest possible compromise that I could possibly agree to. Inflation in Ireland, I am sorry to say, is more than half as much again.

For several good reasons I am totally opposed to restrictions on production. The first effort consisted in quotas — when this did not work, we used a new designation, quantum, and now that this is rejected we have production targets. Up to the present time targets have been considered desirable as a means of increasing production but in agriculture targets are used for the opposite effect. Levies have also been introduced even on the essential needs of the Community, as in the case of the 2% levy on the A-quota sugar. All these things are being done at a time when half the population of the world is starving, when world prices are on an upward swing and when production has dropped substantially in some areas outside the Community.

We have been reminded this morning by a responsible member of the Committee on Budgets that the European lorry carrying the agricultural policy has been overloaded with ACP sugar, not to mention New Zealand butter and the mountains of grain substitutes. We were also reminded by the same responsible member that the other policies that Europe is anxiously waiting for cannot be provided by robbing the agricultural budget, that the ceiling of 1% must be lifted if Europe is to progress. Every year we are assured by the Commission that their price proposals will at worst maintain incomes, at best give a reasonable increase. We have also been warned that any increase beyond theirs would have disastrous effects on the budget etc. But farmers' incomes have declined in each of the last three years and substantial savings have been achieved. This is a contradiction of what the Commission have been consistently telling us. Farmers must be given price increases which will enable them to get a living from their land — otherwise they will have to leave, and in this way cause much greater problems and expense.

I want to make a short reference to what Commissioner Dalsager had to say in the course of his contribution to this debate. One of the things he expressed serious concern about was the fact that this Parliament was now reversing some of the decisions it had earlier

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made. I ask him; when policies and decisions that were made in this Parliament do not work, what alternative is there? — only to take a different direction? And Parliament has bravely done that because it have seen the drastic drop that has occurred in farmer's incomes all over Europe, with the exception of one country — Holland. And the Ministers know that.

I was recently in Denmark and I think Commissioner Dalsager should go back home and hear what the farmers there have to say about their plight — they are very anxiously waiting to see Mr Dalsager come back home. That is what they told me, and the dreadful tidings that I got about bankruptcy in Danish agriculture were unbelievable to me. I would like Mr Dalsager, who has been an old friend of mine, to reflect on these things and change his outlook and not be so concerned about the budget. He can depend strongly on Mr Tugendhat to look after the budget.

(Applause)

President. — I call Mr Martin.

Mr Martin. — *(FR)* Mr President, firmness has paid off. The United Kingdom has finally stopped objecting to the exceptional distillation of more than six million hectolitres of wine. But not without obtaining guarantees for BP chemicals, the biggest European producer of synthetic alcohol. This Europe of ours really is doing something for the businessmen. But there is still a danger of the price of distillation not being attractive enough to rationalize the market properly.

In any case, this measure is only provisional salvation and it will not solve the basic problems of the wine trade. Next Wednesday, 31 March, wine growers from southern France will be having their own celebration of the 25th anniversary of the Treaty of Rome. They will be demonstrating in Montpellier at the request of all the wine growers' organizations, the unions and the cooperatives, showing how angry and how exasperated they are. The European Court of Justice's recent decision to order France to release the Italian wine it had been holding at the frontier was a slap in the face for all the wine growers in my region. They do not usually turn the other cheek and they do not intend to this time. So they will retaliate with action.

Yet they are not asking for the moon. All they want is to get a proper living from the job they have chosen to do in the area they love. They are not refusing Italian wine imports on principle.

And they are willing to respect free movement, provided price unity and fair competition are also respected. How can people agree to and support such a difference in price in Italy and France? In January 1981, the official statistics put the difference for R1

wines at 34%. And both the Italian and the French wine growers lose out.

This intolerable situation must come to an end. The regulations must be applied in an identical manner throughout the Member States so as to put a stop to artificial distortion and competition. The Council has to stop opposing application of minimum prices in trade within the Community as provided for in Article 15 of the regulation. And as to prices, we are glad that the Committee on Agriculture threw out the European Commission's ludicrous proposals and asked for a bigger-than-average increase for wine — which, as far as we are concerned, means more than 16%. We have to have this to make up for the rise in production costs, which was 18-20% in 1981. But these prices can only be maintained and felt at production level if the Community regulations are improved. We shall have the opportunity of talking about this at a later debate.

The wine growers are already in a dramatic situation and enlargement will only make matters worse. What will happen to them when Spain comes in with its red wine prices that were 80-85% of Community prices in 1980 and white wine prices at 65%? Before I finish what I have to say, I should like to thank Messrs Gautier and Wettig for showing us, during the debate on citrus fruit, just what the prevalent conception of enlargement, all too often masked by fine statements of intention, in this House really is. Not only has it refused to improve on the guarantees for Mediterranean products, but it has invited the Commission to prepare to reorganize production and marketing in the light of the interests of the applicant countries and third countries. Briefly then, as Mr Gautier in particular said, the producers in the south of France can give up! A wine grower forewarned is worth two wine growers who are not, and we are going to warn them to step up their campaign against enlargement and to get improvements and better protection for their income.

(Applause)

President. — I call Mr Gautier.

Mr Gautier. — *(DE)* Mr President, I am pleased that our activities regarding citrus fruit at the last session have caused such a lively response. But I should like to point out to Mr Martin that in the original version of paragraph 8 of the resolution we did once again confirm our intention of proposing a comprehensive structural plan specifically for agriculture in the Mediterranean area based on marketing structures, regional resources and so on. The way we voted and the amendments we tabled showed that we did not consider intervention enough on its own. We feel the French Communists might be a little more imaginative in their ideas for tackling the problems in this sector.

Gautier

But now to the subject itself, the Curry report, on which I wish to speak on behalf of the Socialist Group. The Committee on Agriculture has quite magnificently voted the co-responsibility levy on milk out of the Commission's proposals. We agree with this in principle, but the Committee on Agriculture has forgotten to collect an irresponsibility levy from many of its members. We consider it irresponsible to brush aside all attempts at reform and at the same time to recommend a 14% price increase to Parliament.

This basis of responsibility also affects the credibility of our Parliament. I would remind you that last June, after lengthy preparations and intensive discussions, we adopted the Plumb report on the reform of the agricultural policy. At that time we said, for example, that we agreed to certain quantitative restrictions. As regards oils and fats, we worked out certain positions on third countries and duty-free import quotas, which the Committee on Agriculture is now questioning, thus jeopardizing Parliament's credibility in the eyes of the public.

We regard this as irresponsible. In my view, the Committee on Agriculture has a duty to convert general guidelines adopted by Parliament into specific and practicable decisions, for instance quantitative restrictions that are most likely to succeed. But the Committee on Agriculture has not done this. We therefore rate the Commission's efforts to begin a number of reforms through its farm price proposals for 1982/83 all the higher.

We do not agree with everything, but we believe it is right to begin by saying: we are pursuing a more cautious price policy and limiting quantities in some way and providing additional money to help farmers who really need it.

The Commission has not, however, tackled the basic question of whether we can really go on with the present price policy as before.

In reply to a question put by my colleague Mr von der Vring on the subsidization of farmers in the various Member States, the Commission has provided the following figures: net value added in the Netherlands is around DM 36 000. The subsidy, related to this net value added, is some DM 15 900 from the EAGGF, meaning that the ratio of Community subsidy to net value added in the Netherlands is 43.8%. If we look at the same figures in the case of Italy, for example, we find the subsidy rate is precisely 11%.

This shows that there is method in the European agricultural policy. This method consists in automatically redistributing from the poor to the rich. We Socialists cannot go on endorsing this much longer. We shall not therefore be voting for any amendments which call for a linear price policy — we have heard figures such as 14%, 16% and 30% this morning — because that would only result in many farmers in the Netherlands,

Belgium, Denmark and Germany profiting, while many other farmers who really need help go without.

We therefore believe that EAGGF resources would be more sensibly used if we kept the price increase down and instead made direct compensatory payments to the farmers in need. The argument against this is that it is social policy and the farmers do not want it. That is wrong, in my opinion, because we already have all of these things. We pay subsidies per hectare of durum wheat and subsidies for hops and many other products. For example, direct subsidies are paid under the hill-farming directive, and I fail to see why we should not extend this system, using resources we can save on the farm price increases.

I should now like to refer to a number of specific issues. We are again having the usual discussion about taxes on oils and fats. The Committee on Agriculture simply cannot help including the subject every time it tables a motion for a resolution, regardless of what it is about. Somewhere you will always find the words: '... and we also feel that we must levy a tax on oils and fats' — just as long ago: '... and I also feel that we must destroy Carthage.' We are getting rather tired of having to discuss this matter almost every week. We should look at the oil and fat market from a different angle for a change and ask ourselves if we really have just the one concept: we simply have to collect more money so that we can go on subsidizing the surpluses.

I personally think that shows a lack of imagination, and we have other ideas on the subject. But for this we shall require more data from the Commission, Mr Dalsager, and we believe it is high time the Commission gave us some basic information on the olive oil market, for example. I feel we cannot go on working with vague figures like 200 000 to 300 000 tonnes of olive oil and still not have access to the appropriate information.

As regards substitute products, we basically agree with the line proposed by the Commission, that we should try to negotiate with the supplying countries concerned an arrangement limiting imports of corn gluten feed or even manioc. We also endorse the efforts to be made in the next few years to bring our cereals prices into line with those of our main competitors. We realize this cannot be done overnight. Even the Commission estimates it will take 10 years. This may be a realistic approach, but I feel it must also be a prospect for European agriculture. Some things must not therefore be changed overnight.

The Commission's price proposals also contain a number of jokes. For example, the Commission continues to have a market organization for castor seed. The normal citizen, not being a grower of castor seed, will think it strange that there should be a market organization solely for something of which, as the Commission itself says, only about 10 hectares were grown in 1981 — that is equivalent to half a farm — and not

Gautier

only that: some Minister will probably make this the subject of a veto in the Council if it decides on 12% or only 8% rather than 9%. I feel that the Commission should confine the policy on market organization to the essential products and not have a policy for a single farm.

Our Parliament must constantly remind itself that the agricultural policy involves many other economic policy measures. Several speakers have already referred this morning to the problems connected with the monetary compensatory amounts. We are in a situation in which the economic policies of the Member States are too divergent. Let us look at the data on farming: the sharp decline in incomes on all kinds of farms can very largely be attributed to the general economic policy. Although the returns on farm products improved last year, costs have rocketed, especially the cost of the interest farmers have to pay on their capital investments and the cost of energy and many other factors.

Parliament and the Commission should use their influence to improve the cost situation for farmers. If we relieve the pressure of costs with a wide range of programmes, we must refrain from a disproportionately high price increase, for which the consumer will ultimately have to pay in some form, because we have to pay higher export refunds, and which in the long run does not benefit the farmer in this form either.

Seen in this light, we believe agricultural policy also has something to do with general economic policy, and I hope this will become clear this evening during the debate on the mandate. However, we can forget the debate on the mandate this evening if Parliament is going to decide on a 14% price increase tomorrow without some kind of reform.

(Applause)

President. — I call Mr Papapietro.

Mr Papapietro. — *(IT)* Mr President, colleagues, this discussion of the agricultural prices, like that in the committee, shows a widespread awareness that this is a time of crisis both for the CAP and Community policy in general.

In addition to the problems which normally accompany this difficult decision, we now have those referred to by many other speakers including, this morning, Mrs Barbarella: the monetary developments, the divergent reactions of the Member States to these problems and the split in Community solidarity.

This wind of crisis has highlighted one fact of Community policy — which I wish to dwell on for a moment — namely, the widening of the regional disparities. This matter is closely related to agricultural prices.

We Italian Communists have always felt that price policy should be discussed and defined in close conjunction with structural policy so that the entire agricultural policy would be integrated with other Community policies. This debate and the concern it has shown, confirm that we were right. Indeed, the widening disparities and the conflict within the Community are the result of both failure to adjust some of its rules and unequal application of these rules. Price policy and structural policy have been implemented separately, to the detriment of the less prosperous regions, including the one which most concerns me at this moment: the Mediterranean region.

The Community was formed — and it is well to remember this now on the occasion of the 25th anniversary — to bridge an historical gap between northern and southern Europe, which covers the entire modern age. Is it reasonable to suppose that we can tackle and resolve this matter by simply attempting to achieve budgetary compatibility and confining the problem of agricultural prices to monetary measures or mere efforts to achieve financial balance or, as the Commission has done — and to its credit — by calling on the Member States to adopt joint measures to combat inflation and remove the differences in the inflation rates? The matter is far more complex than that. It is essential to adopt a different line of action which, first and foremost, would systematically link price policy with structural policy so that through a policy of cost reduction, agriculture could play an active part in combating inflation. It is also essential to integrate the common agricultural policy with other Community policies at regional level, which is the only way possible. This means drawing inspiration from the south without, however adding Mediterranean philosophy to northern European philosophy in order to complete the latter. This 'inspiration' must be based on the objective of restoring balance and on a new method.

It is along these lines that we are tackling the problem of Mediterranean products which, because of their particular regional features, call not only for special sectoral measures but a different method of action designed to harmonize all the production factors and agricultural sectors within the specific region so that they complement each other. For the Mediterranean region, this means taking enlargement of the Community into account. We consider, therefore, that a price strategy designed to obtain a fair reassessment of Mediterranean products, and medium and long-term structural measures in the Mediterranean region, based on a new criterion for Community action — a regional policy in the true sense — are both essential to launch a balanced development process which cannot, as experience has shown, be pursued in any other way.

We have therefore tabled a key amendment requesting the immediate launching of the medium-term programmes proposed by the Commission in the report

Papapietro

on the mandate of 30 May as a first step in this new kind of action. We have thus considered the entire problem of the agricultural prices in the context of this essential perspective of a new Community method of action.

President. — I call Mr Jürgens.

Mr Jürgens. — (DE) Yesterday's and today's debate has shown that opinions on the extent of the price increase and on the nature and extent of the back-up measures differ not only in the various groups but also, I believe, in the various Member States.

What is certain is that the farmers of Europe are in a poor situation where their incomes are concerned. But I do not even think we can talk about rich and poor: we have to say that the situation is poor at different levels. Price increases are only one means of influencing this trend. It is not all that important how high the price increase is when we look at the overall situation in agriculture. What is important is that we succeed in eliminating the differences. This will be difficult, but I consider it essential.

The structural policy should be used in the various regions to bring incomes into line. But this has become increasingly difficult. The structural policy cannot create jobs outside agriculture. The closure of small farms under this policy will therefore result in more unemployment as long as the regional policy is unable to improve conditions. This must be made particularly clear during this debate, because the regional policy must create appropriate conditions, and we must take action in this respect.

Mr Gautier has said we must also resort to direct subsidies. The hill-farming programme should, of course, be extended to included many other areas so that small farms adversely affected not only by nature but also, in some cases, by policy can be helped with subsidies.

In principle, however, I believe that direct subsidies should be granted only where necessary and market forces should be given a free rein whenever possible. We must take account of other factors that affect agricultural prices, such as the high level of interest rates. As regards substitute products, we must make a joint effort to gain more influence. Although we repeatedly try to make proposals, the Council very often decides by a majority on something quite different.

President. — I call Mr Thareau.

Mr Thareau. — (FR) Mr President, we are all well aware of the problem of reaching agreement on farm prices in the Community when so many factors vary from one country to another. But we cannot, never-

theless, agree with the Commission when it defends an average increase of 9%.

Refusing the objective method and not proposing any amendments is unacceptable. The monetary situations are so different that it is unthinkable to talk about a single price. Total suppression of the monetary compensatory amounts will improve things, but it will not stop the Commission having to monitor trends in each country. We all know that using the Guarantee Section of the EAGGF makes for inequality between products, regions and farmers. You only need to look at the Commission document showing the allocations by country and per hectare of agricultural land.

We have to find European financial solutions that will make for fairness without resorting to assistance measures. For the farmers want to live off selling their produce, not off cheques that come in at the end of the year. Those are only last resorts, a form of assistance. They want the recognition other workers get for their income and for the hours they work. Numbers have to be maintained. Every job lost in agriculture means an extra person on the dole queue. And we have to stop the exodus from farming if our stories about rural development are to be credible.

The consumers know full well that production has to be good-quality and large-scale if supplies are to be available at reasonable prices. And they should also know that only 10-30% of what they spend on food gets in to the farmer's pocket.

Why should the farmers be more effected than the rest by inflation, particularly for eight years on the trot as they have been in France? Will market management suddenly become negative too when the budget surplus for 1981 is 1 700 000 000 ECU? Yet a lot more saving is possible as more than a quarter of EAGGF expenditure can be put down to derogation from Community preference, as in the case of vegetable oils and fats, beef and veal, grain substitutes and so on. These irregular imports, to which duty obviously has to be added, are an additional burden on the market and they reduce the earnings of the producers.

But here we should be dealing with a political problem, a decisive one for the future and that is the weight of Europe on the world market. So do we want to see America's importance get bigger every year compared to all the other countries of the world, with its products and its multinationals? That is called using food as arms. It is as unacceptable for world balance as it is for the future of Europe or for the farmers' incomes. How is it possible for the Commission to propose reducing support, support for European prices, with an overall percentage of production that is beyond the projected quantities? If the Socialist farmers are attached to the quantum principle, they should not be making excuses for it leads to a kind of Malthusianism. Third countries will go on growing with tacit agreement from the Community. And within this

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Community, some farmers will over-develop their production and their income while those who mark time or only develop slightly will be subject to drops in the price of overall support in the same way as those responsible for the surpluses. A fine sort of solidarity this is! Any idea of quantum of differentiation can only be applied to farms. Otherwise they will only amount to greater selectivity.

It is a matter of urgency to do away with the contradictions in the agricultural policy. The common agricultural policy was thought out when there were only six Member States, it has been applied to nine or ten and now we are talking about twelve. And all this time, monetary and industrial crises have shaken each country, emphasizing the differences between them. If we want the common agricultural policy to survive, then we have to bring it up to date on proper foundations that take the Mediterranean products into account. Then, objectively, we can produce studies. Meanwhile, the farmers are expressing their impatience and considerably higher prices are the only thing that will bring back serenity and confidence. This is why the French Socialists suggested 16.3% in the Committee on Agriculture, because this figure, arrived at by the objective method, would enable us to dismantle the positive monetary compensatory amounts. And it would also make it possible to introduce substantial recovery over and above an individual level of production.

The aim of all this is to channel funds into the EAGGF budget, to reduce inequality and to keep number of farmers up by bringing in young people. So the French Socialists will vote for the amendments that will do this and they hope that the majority of the Members will do so too. At all events, we all have to see the Committee on Agriculture's 14% proposals as a minimum below which the desire would be to bring down the common agricultural policy.

I have just shown that the budget is only one factor, as we can cut expenditure and we can provide more funds and I should now like to remind you that what is at stake in this price fixing is something much more political. It would be unthinkable to want to bring down the common agricultural policy and put other policies in its place when the first policy we have no longer meets the needs of the majority of the people whose situation depends on it. On the contrary, bringing the common agricultural policy up to date, making a success of it and rekindling the confidence of the workers concerned by it, is paving the way for other policies.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — (FR) This Parliament certainly has its contradictions. On 18 February, I was most upset to see my draft resolution calling for a preven-

tive distillation measure as from 22 February beaten by French members of the Socialist Party and the Communist Party here in this Parliament.

The disorder in the agricultural world is only a reflection of the uncertainty of the Council of European Ministers.

And it is fair to say that the effort the farmers have put into productivity over the past 30 years have raised the standard of living of the people in the towns. In 1949, food accounted for 42% of household consumption in France, but the figure dropped to 33% in 1966 and it is only 22% today. And if the fruit of this productivity is behind the improved standard of living of the people in a Community where, let us not forget, GNP is higher than it is in the USA, then fair returns are called for, which is to say high enough prices for farm produce. It is obvious that they are no longer high enough! I am pleased here to stress the first-class work David Curry did to bring out production costs in his report.

So it is essential to raise farm prices by 16.3%, as an effective calculation of the cost and the overdue increases prove. You may well say that an increase of this size is a factor of inflation. Whose fault is that? The farmers'? Certainly not. Inflation is the farmers' biggest enemy as, in most cases, their production is spread over a full year. The government's? Yes, if they lose their hold and try to use inflation to relaunch the economy.

I think that the debate on farm prices this year makes quite clear that we have to beyond national egoism and monetary symbols and define a strategy based on the ECU, the herald of a real European currency. The common market was created to let people, capital and goods move about freely. The development of science and technology which leads to great movement in the life of society — for life is movement after all — and the threats to Europe and to peace must now lead the Community to create a common currency whose strength will be the discipline which guarantees its value and its power and the development of its agriculture, its trade and its industry. A common monetary policy will lead to attention being given to the means of guaranteeing peace and freedom. Then, and only then, will our generation have accomplished its mission!

President. — I call Mr Rossi.

Mr Rossi. — (FR) Mr President, as my time is so short, I shall only make one or two brief remarks.

First, I should like to give my wholehearted support to the Committee on Agriculture for inviting the Council not to tie farm prices to the British contribution to the budget. Objective data are involved at the start of the

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agricultural year and things cannot be held up for political considerations. Our British friends still have not worked out how to postpone the seasons.

Next, I shall emphasize, most strongly, that as the farmers' income has dropped, an average price increase of 16.3% is amply justified. This increase alone will enable us to do away with the monetary compensatory amounts which, as you all know, are behind serious barriers to trade within the Community. And I personally shall vote against any amendments involving anything less.

What the farmers want is fair pay for their produce so they can cover the rising costs of production. And it is not quantum or land offices or product boards that will give it to them.

I should also like to say, Mr President, that it is quite unrealistic to try to bring the Community grain price into line with world prices as the European Commission suggests. We are all aware that the world price is a totally artificial one. And we also have to solve the difficult problem of imports of the substitute products arriving in the big northern ports practically without taxation. These products, which are used in cattle feed, are dangerous competition for our forage crops which are finding fewer and fewer takers on the Community market and have to be exported — which is an extra burden on the EAGGF.

Mr President, I shall have finished once I have reminded the House that, under pressure from the European Parliament, a big effort has been made to get better management and better control of the markets. Milk stocks were considerably lower at the end of 1981 than at the end of 1980. But let there be no mistake about this, the EAGGF Guarantee Section of the budget cannot go on being reduced forever as it is only a reflection of the implementation of agreements and regulations and, ultimately, expenditure that the national budgets fail to cover.

So do I need to emphasize yet again that the development of new policies does not mean cutting the amounts channelled into the CAP and that it is much more a question of increasing Community resources and the political will that our countries lack?

President. — I call Mr Vernimmen.

Mr Vernimmen. — (NL) Mr President, every year at this special part-session we hear a variety of views on the agricultural policy and farm prices, seen from different angles depending on the speaker: the budget, farm incomes and consumer interests, which usually conflict. But the fact remains that for years farm incomes have remained constant or have in fact fallen. There is no denying that these incomes cannot be kept up to scratch simply by increasing prices. But proceed-

ing from the assumption that price increases alone rock the Community budget is no proof of objectivity either. It is surely clear by now that, if a start is not made on the selective and well-considered reduction of overproduction in some areas, the budgetary problem may never be solved. There is evidently no sound planning on the subject yet, although I must add that the Commission has made a very serious effort to do something about the surpluses in recent years. In the absence of an immediate plan, I personally agree with my French colleagues, who rightly believe, in my opinion, that the objective method is the best solution for the time being.

Mr President, I should like to draw attention to a problem situated somewhere on the side-lines of the agricultural policy, the problem of starch and the starch industry. The Commission has been promising to put forward proposals for a new arrangement for starch for over two years, but it has not yet done so, although it may have its reasons. In the meantime, however, the position of the European starch industry in the various sectors has been deteriorating. Maize, potatoes, wheat and rice are all affected. There is a danger that an important new development in the biochemical and biotechnological fields will be wasted because the starch industry is reluctant to invest — rightly so, I feel — owing to uncertainty about the trend in the prices of its raw materials. The problems faced by the starch industry are chiefly caused by the fact that European prices have to be paid for raw materials, whereas many of the processed products of the industry have to be sold at world market prices, which are about half the prices in Europe. Furthermore, the balance between the various sectors of the starch industry is being seriously upset by efforts to find a solution to what I would call partial problems, which is disrupting the situation as a whole. It is for the Commission to establish a system which creates equal — I repeat, equal — conditions of competition for imported and European starch products and by-products and for the various sectors of the starch industry in the European Community. Only then will the consumer be able to base his selection of a raw material entirely on economic considerations. It is extremely gratifying to see the major advances being made in certain industries — particularly the maize industry — in the processing of wheat and other products.

The system the Commission must establish might, in my view, include the following elements: abolition of production refunds and certain balance premiums in the potato starch sector; imposition of genuine agricultural levies on all raw materials imported for the starch industry; making available to the starch industry certificates for the import of maize free of levies on the proportion of the final product which competes with synthetic products. A system of this nature would produce a saving for the EAGGF of some 145 m ECU. I would emphasize, however, that the reduced expenditure would be partly offset by reduced revenue

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from levies on maize, but there would still be a saving. This system would also provide a solution to the problem of by-products, about which so much is said here, for example, corn gluten feed. At present, the maize starch industry is competing with imported by-products, which are not subject to levies and are also, for the most part, protected by GATT. The Commission's efforts to introduce import restrictions under bilateral agreements have, I feel, been unsuccessful in practice. And this system would also put an end to the uncertainty with which the starch industry has had to live since 1974 and which obstructs investment and research in the long term and the development of a technologically very advanced industry that is also closely connected with agriculture where employment is concerned.

President. — I call Mr Helms.

Mr Helms. — (*DE*) In the combination of the debate on farm prices and the declarations of the President-in-Office of the Council, Mr Tindemans, the President of the Commission, Mr Thorn, and the President of our Parliament on the 25th anniversary of the Community I believe I can see a good omen for this debate — despite the many critical factors, despite the stagnation of the Community in many areas, despite the Council's blockade. At this time in particular we should be aware of the gravity of the situation and our responsibility during this debate on farm prices.

I am particularly grateful to the Presidents of the Council and Commission for their statements of principle. I am sure that a satisfactory course can be adopted for the future of Europe and that the European Parliament will do its duty in this respect. The chief danger to the Community is the absence of decisions and agreement in the Council and of a satisfactory link between national positions and the requirements revealed by the mandate. Questioning everything in this way, for example, the Community's system of contributions and finances in the case of the United Kingdom so that it may have a lever when it comes to other decisions required by law, is unacceptable and undermines the Community's credibility, ability to take action and usefulness. The words the Presidents used to emphasize this this morning were very apt, and I am very grateful to them for this.

I welcome the assurance given by the President-in-Office of the Council of Agricultural Ministers, Mr De Keersmaecker, that the farm prices will be adopted on 1 April as planned, and it is essential they are adopted on that date, and I agree with his general comments on the agricultural policy, the specific problems connected with the budget and the importance of agriculture in the Community.

But I would remind you, Mr De Keersmaecker, that in recent months the Council has also taken majority

decisions on various questions. I see in this a small ray of hope. Parliament and my group wish to encourage you to think about the possibility of a majority decision on this important matter if agreement cannot otherwise be reached, because the requirements of the mandate and of the next enlargement of the Community appear to be so difficult that a majority decision on this decision must be considered and taken.

There have been examples of Member States finally abandoning their position. The Federal Republic of Germany, for instance, has had to back down on various issues. And the representatives of other Member States should be able to do the same, stubborn though they may be. At all events, it is imperative that this decision on farm prices be taken on 1 April, otherwise the citizens and in this case the farmers of Europe will suffer. You have the full support of Parliament and my group in this respect.

The rapporteur, Mr Curry, who is unfortunately not here at the moment, said in his remarkable presentation of the resolution tabled by the Committee on Agriculture on agricultural prices in 1982/83, if I understood him correctly, that he had been instructed to present the report so that he could be buried here in the Chamber. I believe this to be a unique occurrence. I hope I understood what he said personally and the translation. This is simply not so. After detailed discussions with the Commission, with Mr Dalsager, who spent many hours with us, and with Mr Curry himself, the Committee on Agriculture considered this question at numerous lengthy meetings and adopted this resolution. The rapporteur may not agree with it, but the committee adopted it by a large majority — 26 votes to 12 — it is being debated here, and I am sure that, if the group is present in appropriate numbers, this House will adopt the resolution and its proposal for an average 14% increase in farm prices by a large majority.

To conclude, I would ask the President-in-Office of the Council not to underestimate the resolution tabled by the Committee on Agriculture or the debate. We know what course debates of this kind take, with all the various views represented here. The majority of the Committee on Agriculture, in which all the groups are represented, has spoken. I believe this provides the basis for a reasonable decision in the farm sector.

President. — I call Mr Vgenopoulos.

Mr Vgenopoulos. — (*GR*) Mr President, we are obliged to state at the outset that the report presented on behalf of the Agriculture Committee, and in particular the proposed resolution, do not fulfil our aspirations. In truth, in spite of the indication of goodwill to be perceived in the section of the report entitled 'General Appreciations', we feel that no satisfactory answer at all has been given to the demand for fair treatment

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for Mediterranean products and for safeguarding the incomes of smallholders.

We would like to emphasize that the Agriculture Committee's proposed average increase of 14% is inadequate, particularly for Greek farmers, and especially if it is borne in mind that in the agricultural sector, the increase in production costs for 1982-1983 is forecast as 23%. For Greece it is necessary to ensure a positive rate of increase in agricultural incomes, which must not fall below 3%, and this choice is justified by the characteristics of the socio-economic organization in Greece. Greece has the highest proportion of agricultural population in the Community, corresponding to 30% of her working population. She has the lowest absolute value of agricultural incomes, 3 621 ECU at current prices, at a time when the Community equivalent is 7 500 ECU. Moreover, the ratio of agricultural incomes to those of other categories of workers is 40 to 100. She has the highest inflation rate, 25%, or double the Community average, and finally she has the special circumstances and organizational weaknesses associated with an agricultural production based mainly on smallholdings and family concerns. Essentially, these are the reasons why the Greek Government, in its most recent proposals, asks for a special relationship for Greece within the Community, in other words for special treatment. But more generally still, Mr President, even though the Commission admits that the CAP has made the rich richer and the poor more poor with its proposals, it essentially perpetuates this situation. We cannot lump together the economies of the northern regions of the Community with those of the Mediterranean. We cannot apply the same package of measures and prices to different products and to farming concerns of different sizes. The definition of production targets and the responsibility of producers without discretion and discrimination where these targets are exceeded, in other words the much-vaunted co-responsibility, will result in grave disadvantage to the small farms and to regions of low productivity, particularly since with certain types of production substitution is very difficult if not impossible to achieve.

The relevant measures must not only offer no threat to the income of small farms and problem regions, but even allow the development of production with a view to making the best available use of resources and improving productivity. However, it is not just the economic problem of the Community that we are called upon to face today. Its social implications are even more unpleasant. The fall in agricultural incomes in the last few years, itself the consequence of the conservative Community policy on agricultural prices, resulted in a fall in investment in the agricultural sector in 1980 and 1981, amounting to 40 to 60% in some countries. This means that there is less chance of increasing productivity in the sector for some years to come, a fact that places at risk the employment of some 20 000 000 people occupied in the agricultural sector and related activities. At this time when the

Community has over 10 000 000 unemployed, we must do all we can at least to preserve existing jobs in the agricultural sector, if not to create new ones.

According to the EEC Treaty, the CAP should aim at the full and balanced development of productive forces in agriculture, at increasing the incomes of farmers, at supporting the comparatively disadvantaged regions, and at reducing regional inequalities. However, our experience up to now of pricing and market policy has produced the opposite results. And it stands to reason; how is it possible for regional inequalities to be reduced if Community preference is applied mainly to the benefit of products from the northern regions, in other words to milk, butter and meat, whose sales are guaranteed, and indeed at high price, in the markets of the Community? In contrast, the policy of preferential agreements creates an impasse for most Mediterranean products: fruit, vegetables and oil encounter harsh competition in the Community from third countries. We cannot contemplate accepting a reduction of the intervention price from 90 to 85%, for example, in the target price of a product like tobacco in which the Community is only self-sufficient to the extent of 45%. Where, then, is Community preference? The same applies to cotton, which is produced only in Greece apart from an insignificant amount produced in Italy, and for which the Commission proposes a production quota of 450 000 tonnes representing an increase of just 4.65% compared to the level of 1971, in other words not even equalling the natural increase which ranges from 10% to 15%, and this because there are free imports of cotton from third countries. Here too, where is the Community preference? Mr President, how are the socio-organizational problems to be solved in Greek agriculture, and how are the economies of Member States to be aligned, when there is discrimination between agricultural products to the disadvantage of the Mediterranean countries? For us Greek socialists, it is a cornerstone of our policy to protect the incomes of our farmers. For this reason we cannot envisage this support other than within a framework of special measures, something that we do not see in the Commission's proposals. Unified prices do not reflect reality since there can be no unified costs with agricultural products, with the result that the guaranteed price does not mean the same thing to every type of agricultural concern. In our opinion the most appropriate solution is direct economic support for small producers, who should in parallel be exempted from the application of co-responsibility measures, because this would meet the problem of low incomes for the smallholders without perturbing the productive lines, the market organizations and the competition. Moreover, subsidies of the interest on short-term loans to farmers and subsidies of the means of production, fertilizers, plant medications and animal feedstuffs, constitute the essential support for smallholders to enable them to become competitive. This does not amount to illegitimate competition, as some people maintain, but, on the contrary, to competition under equal conditions,

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and if Member States are sincere in striving for the unification of Europe and for the elimination of inequality, they will eventually have to make up their minds that this can only be done by transferring income from the wealthier to the less wealthy regions. The relations between the Member States should not amount just to those of the marketplace, but should be a true partnership to protect the interests of all the people of Europe. The present functional difficulties of the Community are the result of a lack of political will on the part of Member States to face the crisis together. Pessimistic forecasts concerning the future of the Community should not lead to the point where political inertia on the one hand, and the short sighted policy of the larger countries on the other hand, work to distort the fortunes of the economically weakest regions.

In the present context of the prices of agricultural products we believe that the choices will have to be political ones, in other words that the socio-political foundation of the special nature of agriculture must predominate, and not only technocratic economic criteria. Such is the thinking behind the amendments that we shall all be called upon to vote tomorrow. Their fate will determine our subsequent position on the more general problem of the Curry report, as amended by the Agriculture Committee.

President. — I call Mr Giummarra.

Mr Giummarra. — *(IT)* Mr President, colleagues, the discussion of the agricultural prices for the 1982-1983 marketing year has quite properly gone beyond the limited scope of the EEC Commission's proposals to tackle the more general aspects of the common agricultural policy linked with the wide-ranging, complex problems of financial and monetary balance, the system of own resources, enlargement of the Community, inflation rates and policies to eliminate or reduce regional imbalances.

The reason why the debate has broadened its horizons is quite simply that in putting forward the agricultural price proposals, the Commission has yet again undertaken wholesale readjustment of the common agricultural policy and consequently provoked legitimate concern and criticism in the various political sectors of the European Parliament.

The proposals, seemingly inspired by the wish to cut back the Community's market expenditure, do indeed make the delicate and precarious balances achieved with difficulty over the years, at some considerable cost to Southern producers, more insecure than ever.

For example, membership of the European Monetary System, created as an instrument of monetary stabilization and economic order and convergence but now a veritable scourge which is impeding every attempt at

readjustment, is causing no small harm to the agricultural economies of countries with high inflation rates such as Italy.

Since monetary readjustment — which would have made it possible to compensate for the extremely severe effects of the inflationary process through the conversion of prices into national currency — has not, in fact, been possible since the introduction of the EMS, Italian producers are already being penalized at the outset, while the needs of producers in countries with stable economies are adequately catered for according to a distorted form of logic which overturns every theory of balance and equality.

However, leaving aside the merits of these considerations, on the strength of which a whole range of corrective and compensatory measures to assist agricultural production in countries experiencing such difficulties could justifiably be demanded, I must also point out that the Commission's proposals further exacerbate the already difficult situation of Mediterranean agriculture by preserving or even consolidating the advantages of products in the northern and central regions of the Community and at the same time reducing support for 'Mediterranean' products which are not only 'southern'.

Indeed, the absurd proposal to increase funds for price support, absorbed almost entirely by the dairy sector, while at the same time limiting support for durum wheat which is not in surplus and is a natural product of disadvantaged regions of the Community which are beset by severe economic and social problems, can only be described as a definite policy to widen the gaps between countries.

This policy, which is diametrically opposed to Article 39 of the Treaty which requires the Community to ensure a fair standard of living for the agricultural community, seems to be the expression of a philosophy of 'consolidation of privilege', which in effect shatters the already precarious income and employment prospects of the southern agricultural regions.

Such a philosophy is the only explanation for the absurd, unequal guarantees given to the various products.

In the citrus fruit sector, the support measures did not achieve the expected results precisely because the guarantees were not the same as for other European products. Crisis therefore follows crisis; the destruction of products demoralizes the producer, irritates public opinion and instead of creating, actually reduces employment in the more disadvantaged regions of Europe, with serious repercussions on public order and social stability. In the meantime, we can only watch with amazement the indiscriminate import into European markets of citrus products from third countries, whose quality is highly questionable.

Giummarra

The proposal by Parliament's Committee on Agriculture that the processing of pigmented citrus fruits should be assisted by means of a simple increase in the minimum supply prices, at no cost to the Community, clearly calls for a change of course by the Commission.

By amending Regulations Nos 1733/1734/81, this proposal could pave the way for a new philosophy which would take an overall approach to the citrus fruit sector, go beyond the old concept of reconversion and open up new income prospects for Mediterranean farmers.

However, another warning has been given to the Commission through rejection of the limit of ten hectares for aid for durum wheat. Surely the Commission is aware that this crop involves vast hill areas where the nature of the land makes alternative production impossible; that in the South, and particularly Sicily, the area extends over more than 600 000 hectares, with a total crop of around 10 million cwt. which has a high protein content and forms the basis for pasta products whose popularity is continuing to increase in Europe and the world; and finally, that the survival of this crop, which is one of the most traditional, has been guaranteed by the advantages granted to the sector.

In any case, the Commission's proposal fails to take account of the established practice of crop rotation, which means that durum wheat is grown in the same area every two years. In effect, therefore, the proposal is reducing the limit to a ludicrous five hectares, thus starting a process of abandonment of the southern and island regions, with serious economic, social and environmental consequences.

The proposals do not spare the wine sector either, with the plan for rationalization by means of compulsory preventive distillation, the limit imposed on the expansion of vineyards in natural wine-growing areas, and the usual silence regarding artificial enrichment of wines which are not really wines at all. The Commission chooses to ignore the radical change which has taken place in recent years in the European wine sector as a result of modern cultivation and wine-growing techniques, and has enabled southern products, already characterized by wines with a high alcoholic content suitable for blending, to seriously compete with high quality products. Instead of taking these developments into account and providing for appropriate instruments, the Commission has undertaken to maintain absurd pre-existing balances, which any judicious, objective analysis would discount. The time has come to discontinue support for areas which are not natural wine-growing areas, for example those which can only survive by means of artificial enrichment processes, since natural wine-growing areas are able to yield high quality produce without any aid other than the sun.

When we consider too the fact that the proposals actually harm the interests of the great natural wine-growing areas, we realize that we are dealing with the absurd. The reference to surpluses is not valid since these are not caused by structural factors but by irregularities and artificial processes such as the production of hybrids, legal and illegal sugaring and excise duties.

The olive oil sector also suffers since the Commission fails to grant aid for new plantations, continues to allow strong competition from other kinds of oil and jeopardizes the existence of a valuable traditional product which is of enormous social and environmental importance, affecting as it does the livelihood of rural populations, land conservation and climatic and environmental balance.

It is for these reasons, Mr President, that I have serious reservations concerning the Commission's proposals which also hit other delicate sectors of the European agricultural economy and appear to be based solely on a philosophy of privilege.

A decisive change of direction and a general review of the value and scope of production guarantees, with a view to greater balance, are essential if we are to achieve the objectives and safeguard the interests of agricultural integration. Failure to do this will only create new obstacles to the process of European integration and thwart its achievements and ideals.

President. — I call Mr Mart.

Mr Mart. — (FR) Mr President, Honorable Members, the farm price debate is of vital importance to our Community and our farmers and all the consumers too. The problem of farm prices, fair incomes for the farmers of Europe, is, to an increasing extent, one of justice and even more of very existence. I should like to remind you of the big French farmers' demonstration in Paris. So far, Europe has had a problem of agricultural surpluses, which is why it was in a position to export food to the whole world and particularly to the Eastern bloc. But I would rather have surpluses than shortages. Take the Eastern bloc. Their socio-communist totalitarian systems have virtually ruined their farming, to the point where they can no longer feed their people properly. You only have to look at the catastrophic food situation in Poland. And Romania is having much the same trouble. Young people in these countries are blaming the older generation which, they say, is responsible for setting up this socio-communist system. 'Try and eat socialism', they say, bitterly and desperately, when they are faced with scandalous food shortages.

I am no farmer, but, as a consumer and a responsible politician, I am aware that the problem is a serious one. And I tell you straight to beware of our countries

Mart

and pour people seeing the sort of farming that exists in the countries of the Eastern bloc. We must learn from these débâcles. We must avoid the sort of cumbersome, everpresent paralyzing red tape that interferes with initiative and productivity. A vital sector that is tied up with red tape — take the iron and steel industry — can deteriorate fast and, ladies and gentlemen, I have no wish to see the same economic disasters here as in the Eastern bloc. And, to conclude, I tell you frankly, I have no wish to go hungry.

(Applause)

President. — I call Mr Gatto.

Mr Gatto. — *(IT)* Mr President, during the speeches this morning celebrating the twenty-fifth anniversary of the Treaty of Rome, President Dankert expressed the hope that quality would take precedence over quantity. I agree with this sentiment and indeed so many speeches have already been made that mine would now be quite superfluous.

I have therefore set aside the short speech I had prepared — this Assembly should really be called 'reading' instead of 'parliament' because the short time available makes it necessary to read from a prepared text — since I agree with what has been said by previous speakers, and not just those from my own group.

I should like to make a few comments of a political nature. This debate seems to me to be an anticlimax after the occasions during the past year or so when the same matters were tackled in greater depth.

There is obviously a reason for this. The truth is that whereas in the past the price debate could be an occasion for readjustment and compromise, today the situation has changed completely in the face of a far-reaching crisis which has so many different aspects. A decision on prices which fails to take account of the different factors contributing to this crisis, particularly in the agricultural sector, and of the factors influencing the development of agricultural incomes, such as inflation rates, 'green rates', productivity and agricultural structures, can only be an inadequate, problematical decision.

I feel it is particularly important to emphasize the limitations of an agricultural price policy that is isolated from the more general context of a genuine policy for the reform of Community agriculture. Over the past two years we took steps to tackle this enormous problem but now all that has come to nothing. After listening carefully to the important speeches by the Presidents of the three Institutions I realize that this reflects a political situation in which the Community, if not actually disintegrating, is certainly becoming weaker. Instead of a policy of convergence we now have one of divergence and 'renationalization'. This is why we

find ourselves in an impossible situation where the Commission's proposal seems generous towards certain countries in view of their monetary, production and financial situation while, for others, even the more wide-ranging proposal of the Committee on Agriculture is too limited. I do not wish to be nationalistic and instead of taking my own country as an example, I shall only mention Ireland and Greece.

This policy is inadequate for those who, like me, do not look merely to national needs — which others have already outlined with arguments which I support — but nevertheless see the need for more appropriate prices and guarantees for Mediterranean products.

I have already spoken several times on these matters here in Parliament and I do not wish to repeat myself. However, I should like to make one point with regard to the needs of farmers in the less prosperous regions: there will always be some to claim that other instruments exist to support those regions which are structurally and productively weaker. It has been my experience, even within the individual political groups, that there will always be a lot of talk and promises to hide national egoism and concern for economic advantage.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — *(GR)* Mr President, fellow-Members, the European Parliament is called upon, at this extraordinary sitting, to examine the most serious problem of the prices of agricultural products. It must be emphasized at the outset that we are unfortunately unable to agree with the Commission's proposals because these do not lead to a balanced development in the agricultural sector and to the implementation of Article 39 of the Treaty of Rome. The Commission should not forget that, first and foremost, we should abide by the principles of the CAP and in particular the principle of Community preference. In any case, while it is recognized that the existence of differing inflation rates in the Member States creates a real risk to the CAP, and reference is made to the special problems of the Mediterranean regions of the Community, no specific and fair solutions are proposed.

With specific reference to Greek agriculture, it should be noted that its coexistence with the developed and modernized agricultures of other, much more fertile countries of the EEC creates special and serious problems, to which we ask for fair solutions.

I ask the House to take note of the following statistics:

First, the rate of inflation in Greece in 1981 was of the order of 25% and we estimate that this year, under the new, Marxist-Socialist government, it will not decrease.

Second, the increase in the cost of contributions for Greek agriculture amounts to 23% for the period '82-'83.

Papaefstratiou

Third, our country has a high proportion of agricultural population. About 30% of the working population are engaged in agriculture. This is in fact why we have not suffered from high unemployment up to now.

Fourth, owing to limited and infertile agricultural land, the yearly income of Greek farmers is only about 50% of the corresponding value in the Community.

For all the above reasons we hold: that a minimum average increase of 16.3% in the prices of agricultural products and in their subsidies should be declared, as proposed by the collective representational organs of the farmers.

That special measures should be enacted for the economic relief of farmers in countries of the EEC which unfortunately have high inflation rates. That measures should be enacted for the strict application of the principle of Community preference, so that agricultural products from the Community should be preferentially available in the markets of the Community.

That the obligation should be recognized, within a short period of time to submit proposals for the correct treatment of Mediterranean products, so as to reduce the differences by comparison with products from the North, and that developmental programmes for the Mediterranean regions of the Community should be drawn up and implemented.

In addition we propose that the following measures should be taken, which while contributing to the support of the incomes of our producers, do not create any more general problems affecting the application of the CAP:

— Equalization of the prices determined for Greece with the common prices, in the case of certain products for which the price difference is small. In any case, this is envisaged in Article 60, paragraph A, of Greece's Convention of Accession.

— Acceleration of the rate of approach of the level of economic support granted to Greece to the levels granted to the other Member States. For example, subsidies for the production of olive oil, for the marketing of citrus fruit and for hard grain.

Subsidization of the interest on short-term loans for agriculture, at a satisfactory level.

— Subsidization of the means of production, such as fertilizers, plant medications, animal feedstuffs, olive-gathering nets.

— Direct income support for small producers, with parallel exemption from the application of co-responsibility measures for reasons of fairness. This will meet the problem of the low income of smallholdings, with-

out disturbing the productive lines, the farming organizations or the competition.

— Financing the technical assistance from the Community for carrying out large-scale land-improvement work in Greece, for the development of fishing, for the improvement of the country's lagoons and large bays, and for assisting the founding and organization of agricultural manufacturing complexes.

And now I shall mention briefly the specific agricultural products for which we propose that certain measures are necessary:

As for fruit and vegetables, we propose a general increase in prices and in the premium for the marketing of oranges.

Again, the system of pricing and intervention should be extended to certain products such as melons, water-melons, lettuces, beans, etc.

As for oil, the aid granted to the producers should be increased.

The registry of olive growers that is about to be compiled should be financed to the extent of 50% by the EAGGF.

As for cotton, the permitted production level should be increased from the present 450 000 tonnes to 500 000 tonnes.

As for wine, the gap between the Greek and the EEC prices should be closed.

As for sugar beet and sugar, Greece should be exempted from the principle of co-responsibility because of the low level of production.

As for tobacco, the measures envisaged for our country are in opposition to the reduction of the intervention price to 85% of the target price, and as for beef, Greece should benefit from the special measures that already apply in Italy and in Holland.

In conclusion Mr President, I would like to emphasize that we listened with particular satisfaction to today's excellent speeches by the President-in-Office of the Council of Ministers, Mr Tindemans, and the President of the Commission, Mr Thorn, and that the resolutions of our Parliament, but mainly also those of the Council of Ministers, should aim at maintaining the integrity of our Community in practice, by means of fair solutions for the millions who farm for us.

President. — I call Mr Wettig.

Mr Wettig. — (DE) Mr President, ladies and gentlemen, farm price debates are a test of whether the

Wettig

European Community is still capable of taking joint action.

As luck would have it, this farm price debate has coincided with the 25th anniversary of the Treaties of Rome. The proposals before Parliament, the debate we are having today and the contributions to this debate will undoubtedly strengthen the impression the public has that the European Community has become an agricultural community rather than what it was really intended to be when it was established 25 years ago. They will also strengthen the impression that the Community has become a self-service shop for certain groups and certain countries who derive excessive benefits particularly from the common agricultural policy.

When we consider the Commission's proposals during this debate — and the proposals on this year's farm prices are the outcome of the mandate of 30 May — we must begin by realizing that we originally criticized them as being too half-hearted, as doing too little for the consumer, as not being sufficiently geared to the European Community's external economic interests and as coming down too heavily on the side of the farmers. I will be quite frank: we must revise this view today. The Commission originally showed a great deal of pluck and proved that it is in fact capable of putting forward far-reaching proposals for the reform of the European Community. In practice, it is evident that Parliament is not prepared to go along with these far-reaching proposals, which would lead to the reform of a central aspect of Community policy.

What the proposals made by COPA and other interest groups reveal — and these proposals were largely endorsed by the majority of the Committee on Agriculture — is the attitude — as the Commissioner, I believe, made abundantly clear — that everything possible should be got out of the Community's agricultural policy, that there is no need at all to worry about the budgetary effects of this agricultural policy and that the taxpayer's interests can be almost totally ignored. This attitude is also characterized by a desire for an increase in protection, regardless of the Community's industrial and external economic interests and of the interests of millions of workers. It also signifies a total rejection of the idea of reforming the agricultural policy. It signifies the rejection of all the decisions Parliament has taken in the past.

Many Members may feel it is a feature of parliamentary practice to speak for something one moment and against it the next, but I do not think it is doing the first directly elected Parliament a favour to change one's position on basic political questions depending on the situation on the day concerned. We are also surprised to hear Members from the southern countries of the European Community justifiably complaining about their disadvantages and yet agreeing to this proposal for higher prices, because it will not improve their position to any great extent. The transfer of

incomes to the southern European countries, which many people advocate, will not take place if this price proposal is adopted: it will principally benefit countries with northern products. Any proposal for a price higher than that proposed by the Commission will also mean fewer resources being available for a labour market policy and regional policies, and that will not be much help to farmers with lower incomes. Not even 20% more would be much help to these farmers.

The rapporteur, Mr Curry, has submitted a relatively balanced proposal to Parliament and above all added an explanatory statement which reads like a critique of the common agricultural policy as it has been pursued in the past. We shall therefore try to ensure that the majority of the Members of Parliament vote for this proposal.

President. — I call Mr Diana.

Mr Diana. — *(IT)* Mr President, colleagues, at this stage in the debate much has already been said and need not be repeated. I should, however, like to comment on two proposals put forward in the opinion of the Committee on Agriculture concerning respectively the strengthening of the market regulations for Mediterranean products and special complementary measures, compatible obviously with the common agricultural policy, for the benefit of farmers in countries with high inflation rates. I mention these two matters not only because they are of particular concern to my country but also because the harmonious development of the European integration process is incompatible with the persistence of such severe disparities between the different sectors and regions.

With regard to the first point, the Commission deserves credit for proposing price increases above the average for Mediterranean products. While the proposals are still inadequate, they nevertheless represent a step in the right direction by assisting Mediterranean products to regain their competitiveness in accordance with the directives of the Council of Foreign Ministers last January. On the negative side, however, it has proposed the same percentage increase for common wheat as for durum wheat and a limit of 10 hectares for production aid for the latter. I would point out to the Commission that what is involved here is not social aid but economic support for a product which is still in short supply in the Community, has a low yield per surface area cultivated and is consequently in danger of being abandoned if aid is not made available. Indeed, this happens quite frequently in the absence of worthwhile alternatives.

Commissioner Dalsager tried to justify this proposal yesterday by referring to the undue advantage which would be enjoyed by farms which grow 200 hectares of durum wheat. Before producing examples like this in future, he should check with his services whether

Diana

this kind of farm exists. I would also suggest that he visit Sicily or the southern regions of my country to see what alternative to winter cereals farmers have in the absence of irrigation. Would he suggest olives which have a limit for new planting or perhaps vines which are already in surplus?

I should also like to draw attention to the part of the report of the Committee on Agriculture which, in view of the severe disparities between inflation rates in the Member States, requests the Commission to consider complementary measures for the benefit of farmers in those countries with high inflation rates.

In this connection, the Commissioner for Agriculture yesterday repeated a statement he had made on a previous occasion to the effect that the incomes of farmers in Italy — a country with a high inflation rate — had in fact improved. In support of this argument he quoted a study carried out last November by the Committee on Agriculture at the request of the Council. However, the study in question shows a marked difference between the period preceding the introduction of the EMS and that immediately following it. The document states that during the period before the EMS, when the value of the unit of account was linked with the Snake, it was easier to increase prices expressed in national currency through devaluation of the green currencies independently of the annual decisions on the common price increases. It also shows that the incomes of Italian farmers rose during the period 1973-1979. While this information may be of statistical or historical interest, it does not alter the fact that in the years following the introduction of the EMS there was a sharp fall in incomes in my country.

Mr Curry's report shows that last year agricultural incomes rose by 13% in Belgium, 15.7% in Denmark and 17.2% in the Netherlands while in Italy they fell by 6.9%. It should be remembered that the agricultural income in my country is still only around half of the agricultural income in the Netherlands at a time when the EAGGF is spending five times more on each Dutch farmer than on his Italian counterpart. I have nothing against Dutch producers, although I certainly envy them, but these disparities must be removed and, in particular, I feel I must protest at the use in this House of data which do not give a true picture of the situation.

IN THE CHAIR : MR JAQUET

Vice-President

President. — I call Mr Abens.

Mr Abens. — (FR) May I, Mr President, confine myself to one or two remarks of a general nature?

First of all, I should like to back up what all my colleagues have said about the common agricultural policy having succeeded in guaranteeing us independence in food. You only have to look for a minute at the oil exporters' blackmail to see just what food independence is worth. So I think it wise to insist on the fact that this result was obtained at minimum cost. Compare the cost of the common agricultural policy with the oil bill and you will be surprised to find that the common agricultural policy only costs 1% (and I said 1%) of GNP and that the other two items cost 7% of that GNP.

Having looked at the EEC Commission's proposals and at the rest of the European Parliament committee's resolution, I can only come out in favour of pushing up farm prices by something like 14% at least. It seems to me to be a basic principle of social justice to enable the farmers to have the same incomes as people in other professions. And, along the same lines, I should like to back up all those who are calling for the abolition of the monetary compensatory amounts, as this system serves to reduce the farmers' incomes. Belgium, and Luxembourg obviously, have just found this out.

So please allow me, Mr President, to make these few proposals in a spirit of European cooperation.

President. — I call Mr Bournias.

Mr Bournias. — (GR) Mr President, before beginning my brief speech I too would like to recall two of the sentences spoken by our President in his 'celebratory' speech for the 25th anniversary of the signing of the Treaty of Rome.

The Community is not prospering. That is how the President began his speech, and as regards the subject of agriculture he told us that the agricultural policy had been misconceived. We are all of the same mind concerning both these themes: Parliament, the Commission, and the Council of Ministers. However, the heaviest burden of responsibility rests on the Ministers, on the Governments, and they will have to make a start by modifying their position in connection with the subject under discussion today, namely, the prices of agricultural products, so as to eliminate the inequalities as far as possible.

Fellow members, the prices of agricultural products and the Budget constitute the cross that has to be borne every year by the EEC, and this is happening again this year, as shown by the report presented on behalf of the Agriculture Committee by its rapporteur, Mr Curry.

Bournias

The fundamental reorganization of the Community based on the Mandate of May 30th, which is the content of the second report by the Committee on Economic and Monetary Affairs presented by Mr Hopper, supplements the first report and gives countries like Greece the right to stand firmly in support of her just demands that prices should be determined for agricultural products that will not disappoint the otherwise very disappointed agricultural population of my country.

The honourable Committee Member encourages us to moderation. We agree, but not when the results are negative and socially dangerous. We heard our Irish colleague Mr Davern today, and we agree with what he had to say.

How can Ireland adopt a stance of moderation, or Greece for that matter, when we were obliged this year to sell our citrus fruit for no profit at all, to Eastern countries and to Russia who paid us in Libyan oil at a price of 274 dollars per tonne as against the price of 234 dollars for which we were offered it by Libya herself? This was officially condemned in the Greek Parliament.

In paragraph 2 of the Hopper report there is a clear emphasis on the need to include in the framework of the expansion certain specific orders designed to solve the problems encountered by the economies of the Mediterranean countries.

Mr Curry also asks for specific proposals from the Commission for implementing the requisite measures, so that the resolutions may be more broadly updated in relation to the prices of agricultural products and the budget for this agricultural sector. Moreover, as regards the large differences in the rate of inflation and the great problems to which these give rise in a system of common pricing, without underestimating the serious economic stagnation and the continually increasing levels of unemployment, he proposes measures and increases in the price of agricultural products that the Agricultural Committee finally settled at 14% for the period 1982-1983 by majority vote.

Mr President, fellow Members, I think that the increase of 16.3% asked for by Ireland, by ourselves in Greece and by other colleagues will not prevent the Community from improving, to a moderate extent of course, its activities in the social and economic fields.

In particular, Greece's demand is based on a blatant inequality to the disfavour of Greek farmers, and it serves important political, social and economic aims of my country. Time does not permit me to analyse these, but it will not have escaped you that there is danger inherent in an inflation rate that rose to 25% in 1981, and in a different inflation, a human one this time, that affects the population of Athens which, together with its suburbs, has collected almost half the population of

the entire country, mainly from the land, in a continuous haemorrhage of the agricultural regions.

Fellow Members, the Greek farmers are transmitting Mayday signals. Help them not to be carried away by the demagogues, the amateur magicians and the critics of the Community, who have set their sights on the traditionally conservative Greek farmer in order to undermine the Community.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, in the short time available to me I wish to touch upon only two subjects.

First, that the last people on earth who have the right to talk about Greek farmers and to come here in the guise of their protectors are the politicians of the Right in Greece. Because it is the Right that, with its policy of joining the EEC at any cost, is responsible for the farmers' tragic situation today. And it is absurd, when today the socialist countries import about 60 or 70% of Greek fruit and the EEC a mere 5 to 10%, for representatives of the Greek Right to come here and in the spirit of submission to the interests of imperialism to decry the commercial and economic relations with the socialist countries at a time when the representatives of the Greek farmers have to struggle, even in here, to minimize the restrictions and obstacles created by the EEC.

My second point is as follows:

In our gallery today there are members of the governing body of the General Confederation of Greek Farming Associations. Of course, they neither come from Israel, nor are they refugees from Afghanistan, so as to inspire you to a warm welcome and applause, nor have they come to plead the cause of seals so that you give them permission to hang their banner outside Parliament.

However, we wish to tell you: a few days ago this very General Confederation organized a meeting of tens of thousands of farmers at Killeler, at which the Greek Prime Minister and the General Secretary of the Greek Communist Party appeared, and at which price increases of 30% were demanded; Athens prices, and not Brussels prices.

In the light of the instructions of our farmers we are obliged to reject the Commission's proposals, and indeed those of the Agriculture Committee, and we hope that the Government will not hesitate to use its right of veto in order to protect the rights of our farmers.

President. — I call Mr Eyraud.

Mr Eyraud. — (FR) Mr President, ladies and gentlemen, Honorable Members, we have to wake up to the

Eyraud

facts. French farming is sick. The French farmers are discontented because they are suffering, if I may put it so, from Brusselitis. For eight years now, their incomes have been dropping, by as much as 6·8% in 1981, and they blame this on Europe, a word they often use pejoratively. As far as they are concerned, Europe means all or nothing. The CAP and its regulations, the Commission and its administration and the Council of Ministers. All in all, a shapeless monster that is there to crush them. And I say that for us Socialists, who are profoundly European because we are internationalists, that this is very serious, very serious indeed. It is intolerable. We have no right to let Europe, the Europe of Schuman and Adenauer and Monnet, lose face in the eyes of a whole class of society to which Article 39 of the Treaty of Rome promised to guarantee a fair income. Fair incomes have gone. Some people in the Community, the French for example, are seeing their purchasing power decline while other people's is going up. So most French farmers are disgusted to find that the same goes for men as for regions. The poorest get poorer and the richest get richer as the years go by.

We are forced to conclude, as we said in the final amendment to the Curry report, that a standard farm price increase as granted in previous years would not by itself take all the individual situations of the European farmers into account, even if it was much larger than the one the Commission is proposing now or any made in previous years. Or even if a number of other measures were taken alongside.

There are a number of reasons for this. First, the disparity in the structures. How can we reasonably compare a 10 ha general farm in Auvergne with a 100 ha cereal farm in Brie? And I am only taking French examples. And then the serious deterioration between intermediate prices and product prices gets worse as the farms' means decrease. Energy, fertilizer and cattle feed increase even more rapidly in price if they are imported or used in countries where the currency is weak. So, as the farmers do not want to live from hand-outs, they are unwilling to accept what many of us would be tempted to give them as social benefits and they hope, with their deep sense of human dignity, to live, like everyone else does, from the fruits of their labours. So the idea of price modulation, in the end, has to take over. Everyone has already agreed to it on a product basis because the Commission proposes a different increase from the average price for each product. We are satisfied to see that grain will be going up less than milk, meat, fruit and vegetables and tobacco.

We also note that the Commission is beginning to envisage the idea of quantum, in a way, because, basically, this is what the Commission means when it proposes to limit assistance for durum wheat to 10 ha. We are sorry that our Parliament's Committee on Agriculture did not feel it had to follow suit. This proposal is in fact contained in one of our amendments, along with the wish that modulated prices over the 10 ha

mark should be studied. But we need to go further and there are a number of ways of doing so. First, we can do something about production costs by reforming structures and altering the cost of intermediate products such as fertilizer and fuel and oil cakes. And then we can vary the price paid to the producer, according to the amounts delivered — hence the need for an organization of market.

Lastly, although we approve of the Committee on Agriculture's proposal about the co-responsibility tax, we still think that price modulation should mean restraint lower down if production goes beyond a certain point. This is why we suggest 300 t p.a. for milk in one of the amendments. Measures of this sort can perfectly well be applied in the context of product boards such as the French government proposes to set up soon. That is not to say that we want to limit or penalize production. Quite the opposite, as what we want is to see simpler means of fighting hunger in the world. We would remind you that the main aim of these boards is to regulate the markets.

Measures such as this could well make for less disparity between the farmers — but they will not wipe it out altogether.

If, at all events, we fail to agree to the principle of price modulation, we are forced to agree to the principle of Community assistance. And then we have to adapt it to each of the Member States, being careful not to fall into the double trap of MCAs, of which we have just had the unfortunate experience and which everyone agrees should go, and, more seriously, national aid. This is a subject that has to be discussed. But discussed frankly. What I say is, to use a real French expression, that everyone has to sweep in front of his own door and to remove the beams from his own eye before making accusations in the form of written questions. If we plan Community assistance like this, it is simply because we wish to avoid the sort of protectionism that, sooner or later, would lead to renationalization of agricultural policies. Honourable Members, we must beware of this. And we must also beware of disappointing the farmers in our respective countries by refusing them the increase the unions want. This would be at Europe's expense and there would be no shortage of imperialism to rejoice at it.

Let us be clear about this — Europe cannot both refuse the EAGGF budget and the farm price increase and national aid. Only a negative Europe will condemn some countries to abandon their producers and push up the move away from rural areas. Hence the imperative necessity first to accept a substantial price increase — 16·3% we hope but we would take 14% in a spirit of conciliation — and finally to get the common agricultural policy relaunched. We have no doubt, honourable Members, that you will follow our lead, for we are convinced of your wisdom.

President. — I call Mr Colleselli.

Mr Colleselli. — (IT) Mr President, colleagues, the Curry report, which we considered very carefully in the committee, has highlighted — despite differing views — some of the fundamental problems of the common agricultural policy. In the short time at my disposal I should like to make one point clear: it would be a serious mistake to think that these problems can be resolved by the mere fixing of prices. While this is undoubtedly an important occasion, it must be closely linked with the procedures and proposals for reform of the principles of the common agricultural policy.

The crisis we are facing is serious and it would be unrealistic to think that it will soon be over. However, we must set a target for a new balance in the future. This target, which I feel is essential, will admittedly not be easy to achieve in the present circumstances. It will involve monetary stability for all the Community countries, which in turn will bring order to the economies, both individually and in general, and create confidence on the part of farmers without whose interest and support Parliament and the Commission could not easily achieve practical results. Furthermore, it will convince farmers that this reform of the common agricultural policy does not of necessity mean penalization but rather a genuine relaunching of the policy.

My second point is that we are pleased that the committee, by a large majority, voted in favour of pruning — if I may use that term — certain Mediterranean products. This does not mean that we underestimate the problems of Mediterranean agriculture. However, we believe that the possible impact of the accession of Spain and Portugal should be more carefully assessed and indeed I wish I had sufficient influence to ensure that Parliament would, by a large majority, vote in favour of pruning various Mediterranean products. Finally, we must take care to avoid any contradictions since an improvised resolution at voting time could be at variance with what has been or should be done.

I also wish to refer to the wine sector. As some of my colleagues have already mentioned, we have reservations concerning certain comments made by Commissioner Dalsager since we believe that the wine problem can be solved through implementation of the regulations adopted by Parliament a year ago. A resolution of April 1981, if applied systematically and in due time, could contribute to the implementation of some wine regulations designed to achieve quality. However, it is essential that these regulations should be implemented as soon as possible in order to resolve the crisis in this sector, which is not, in my view, as deep-seated as that in other sectors. I am referring here to the production and social aspects because we must remember that European agriculture employs almost three million persons who naturally expect not only equal obligations but also equal rights. The economic implications of this cannot therefore be ignored.

The Committee on Agriculture seems to be showing increasing interest in this problem — which we will soon have the opportunity of discussing — and this is a hopeful sign.

One final remark: it has been said that one of the main problems is the inflation rate which is affecting some countries in particular. Reading between the lines of Mr Dalsager's speech, I have the impression that he feels — and perhaps with some justification — that when the inflation rate reaches a certain level, as in my country, it is up to the country concerned to take the appropriate action. We have to admit that he has a point. On the other hand, the farmers are not to blame for this situation. They have simply been the victims of it and must therefore receive realistic aid, even through compensatory measures.

This is the line which my group adopted in the committee and will, I hope, adopt tomorrow in the final voting on the amendments.

President. — I call Mrs Gredal.

Mrs Gredal. — (DA) Mr President, let me begin by saying that we Danish Social Democrats cannot accept the report of the Committee on Agriculture on farm prices. The reason for this is partly that the Curry report is in conflict with the Plumb report of June last year, which we voted for, and partly that it recommends price increases which, from the budgetary point of view, are patently not justifiable. Also it is truly amazing to see the confidence with which percentages are bandied about in this Chamber. The Curry report says 14%, but if a few more members had been present at the meeting of the Committee on Agriculture, the COPA proposal for 16% would have been adopted. Apart from all the percentages flying around, there is the fact that no relationship exists between the percentage rates of increase, the other proposals and the Community's economic possibilities, either this year or next year.

On the other hand, we feel that some of the amendments tabled would considerably improve the report and, by improvement, we mean amendment of the report in the direction of the Commission's proposal. We think that the Commission's proposals are an excellent basis for the fixing of farm prices for 1982-1983.

We do have a few major objections to the proposal, however. One is that the animal products should get a slightly higher increase than that proposed by the Commission. This would be justified on budgetary grounds, since the Commission's proposal also contains guarantee thresholds and it would at the same time benefit family holdings, which are typically geared to animal produce.

Gredal

Also a slightly higher increase for animal products would improve the chances of phasing out the monetary compensatory amounts as quickly as possible, and a price policy on these lines would counteract the deplorable tendency to introduce national support measures. I would also urge the Commission to make greater use of the sanctions it has available to it in connection with these measures, for example, to withhold EAGGF payments from countries which introduce these illegal support measures.

Another major objection we have to the Commission's price proposals has to do with cereal prices. We feel that the proposed price increases for grain are too high. On the one hand, they will mean higher costs for family farms and, on the other, there will not be enough funds left for other parts of the common agricultural policy. We feel, finally, that a relative reduction in grain prices is the best solution to the substitution problem, since it will bring about a real alignment with world market prices. It should be remembered in that connection that it is far cheaper for the Community to export animal products than grain, while it would also have a positive effect on the Community's employment situation and foreign exchange position.

With regard to the agricultural policy in the longer term, we feel that the problems should be solved by conducting cost-benefit analyses of all special measures, with a view to ensuring that the resources are applied in the most effective possible manner, from the point of view of both the farmers and the taxpayers in the Community. Similarly, we must in the long term seek to transfer agricultural production from surpluses to products for which there is a need and which at the same time are economic in energy, for example protein-bearing crops and increased afforestation. We therefore do not agree with those who seek to solve the problems of agriculture by increased protectionism, which will hit the developing countries and disrupt traditional world markets.

If I can briefly sum up the wishes of the Danish Social Democrats in this area, in the short term we want slightly higher price increases for animal products than the Commission and at the same time smaller increases for grain. In the rather longer term, we should like to see the more effective use of the Community's resources and, finally, in the much longer term, we should like a reorientation of agricultural production from surplus products to products which are in demand.

President. — I call Mr McCartin.

Mr McCartin. — Mr President, the important thing about this debate is that we are discussing an area where we can participate in policy and decision making, unlike so many of the other issues that are passionately discussed in this Assembly. Here we have the

ultimate responsibility, and we as one of the institutions of the Community can in this instance affect the policies about which we are speaking. Wages for workers, cost of energy, inflation rates — these are things for which we don't have ultimate responsibility. It is right to discuss them and it is important that we have opinions on them. Before we aspire to wider and more important roles, however, we must satisfy the taxpayers of Europe that we have in fact been effective in dealing with the one fully developed policy which the Treaty of Rome obliges us to pursue, and that is the common agricultural policy.

The two important elements of this policy are to provide the citizens of the Community with sufficient quantities of food at a reasonable price and to give farmers and those engaged in the agricultural industry a fair standard of living. We have provided sufficient quantities of food in regular supply and at prices which have increased much more slowly than have the prices of other important requirements like energy, clothing and transport. We have done it at a reasonable price and well within the limit of the meagre resources provided to this Community for that purpose.

Turning, however, to the other important element in the CAP, it has been a hopeless failure in providing the farming sector with a fair standard of living comparable to that enjoyed by those engaged in other occupations. At the end of last year the Commission found that the level of farm incomes in all Member States, apart from Italy, Belgium and the Netherlands, was either at or below the 1974 level. In Germany and the UK they were 79% of the 1974 level; in France 76%. I agree with Mr Diana that the situation in Italy has disimproved since the forming of the EMS, and the situation in Italy today is not exactly what the figures comparing the 1974-1979 situation would indicate. In Ireland, however, which was not a full member in 1974, we have in fact incomes that are just 50% of what they were in 1978. We can't use the figures that I have used for other countries of the Community, because that was a period in which we were just transitional members of the Community. The varying rates of inflation in the Community's Member States is making it increasingly difficult to pursue a common policy, but while the Community does not have ultimate responsibility for inflation rates in individual states, it does have responsibility for farmers' incomes.

If we are to bring about any semblance of equality in incomes and equality of opportunity, we must either have differentiated price increases or substantial special measures to increase incomes, to improve structures and subsidize inputs and interest rates. The special measures proposed — and already in fact in operation for countries such as Ireland — are only token measures if we look at the real income situation. If we can't have the solutions which I have just now advocated, then we must recognize that participation in the EMS has been a costly mistake for countries like

McCartin

Ireland and we must proceed to seek price increases through currency devaluation. Decisions on the courses of action cannot be put off any longer because we have a situation in which the crisis in agricultural prices and farm incomes is bringing the economy of smaller States such as Ireland to absolute ruin.

Now I want to refer briefly to the effect of the importation of the so-called cereal substitutes on the cost of the common agricultural policy. I compliment Mr Curry on his report and the explanatory memorandum in which he gives us a lot of information. The most striking thing about the figures for imports of cereal substitutes, about which I already have some knowledge, was that the quantities imported by Ireland are absolutely negligible while the Netherlands takes almost half of the total imports. One point not set out was whether the advantage of these cheaper cereals is actually passed on to the farmers and livestock producers. I suspect that it is not, and my personal experience indicates that the quality and price of animal rations in the Netherlands do not reflect the cost savings that can be got from these imported substitutes. So the advantage is partly or mostly going to the national or regional economy rather than directly to farmers.

The estimated 15 million tonnes of imports represent the equivalent of 8 to 10 million acres or 4 million hectares of barley in the Community and up to 100 000 jobs in the agricultural industry or perhaps more. If only 30% of these cereal substitutes are converted to milk production and butter, then we have the equivalent of the total amount of butter consumed in the British market plus 50%. The people who complain about the cost of the common agricultural policy should realize that we can reduce it in half if we eliminate these imports. If it is our policy to continue with them, then we should not ask farmers to pay for them through levies and restrictions on their production and reduced prices.

President. — I call the Commission.

Mr Thorn, President of the Commission. — (FR) Mr President, ladies and gentlemen, I should like to remind you that, this year, there is a certain link between farm prices and the more general matter of our mandate, something which concerns us all. This link is not just a question of dates. It is due to the fact that this year, when the Commission proposed its farm prices and attendant measures, it wanted to give practical shape, as you requested, to the agricultural policy that we in the Commission adopted in our reply to the 30 May mandate. And, more generally, it is the whole political context of the three parts of the mandate that is pressing, with all its weight, on the fixing of farm prices. And the particularly difficult economic situation in which the Community has had to act for some years now certainly has a profound effect on the farm debate which you have all mentioned.

For all these reasons, the job of the Commission — which is not made up of expatriate officials but of people who have a grasp of the problems of the different countries — has not been easy when it has come to making proposals on prices and the attendant measures for 1982-83. And for all these reasons too, this House, Mr President, has to be particularly careful, more than ever before perhaps, about the consequences of any decisions you help take this year. I believe that your vote, with its reasonable and its more exaggerated points, is important this year, more important than at some other periods of our history. To spell it out — and I am glad that your debate has shown this to anyone who was willing to follow — it is vital for your conclusions to reflect, in the fairest way possible, two kinds of imperatives that are their own justification. Those linked to the essential reorganization of Community activity and those linked to the economic and social situation in the rural world.

Mr President, let none of us ever forget that the fixing of farm prices is a kind of collective bargaining, as the unions put it, which will regulate the lives of eight million farmers and their families for a year. This is something all too many people overlook when we start these debates.

You, ladies and gentlemen, are familiar with the sometimes contradictory constraints, I imagine, that we have to contend with when drafting our proposals each year. Your debates have in fact reflected this. But I should like to emphasize the fact that it is the overall medium-term conception of these proposals, of which you too will feel the effect, which counts more than details of the figures. The Commission's proposals do not amount to an average price increase for one agricultural year this year. They are part of a longer drive to get European agriculture, the common agricultural policy and the EEC's farmers out of the difficult situation they are experiencing with internal conditions and external competition. This is the challenge of the eighties and it has to be taken up successfully. The proposals that have been put to you are not more than a first step, feeble beginnings — which is why, when fixing the farm prices, we have to look at trends, where we want to go, the path which, like it or not, we will all have to follow.

We should now look at the twofold purpose of farm prices. Their first job is keeping up the income of people who work in agriculture and acting as a guide for most agricultural products. Here the Commission is suggesting an increase of 9% on average. But the wide range of proposals adopted was deliberately geared to the situation on our markets. So, whatever the average level you want to see prices fixed, the range still has to be open because it is one of the bases for reorientation of the common agricultural policy. I have said it once and I shall say it again, our prices are fixed according to our markets and our sales. This House knows all too well what has happened and what is happening even to our industrial products, particularly in the iron

Thorn

and steel industry where the problem is one of sales rather than production, to forget how dangerous this sort of situation is for the rural world.

It must be clear that, if the Commission had only paid attention to farmers' incomes — as if we were in an ivory tower and, in any sector, could ignore what is happening in the rest of the Community — it would have proposed higher prices as you might imagine. That is a temptation for you too. But you have to realize that the Commission had other imperatives. First, the need to achieve a certain balance of the markets and, second, the Community's budgetary constraints. So please, two years before the end of your term of office, do not make us follow one sort of policy and ask us to follow another one, budget-wise, tomorrow. We all have to try and establish a coordinated, general policy that will be universally defended. It's now or never.

This is why the Commission ultimately opted for a fairer solution that took greater account of the different situations facing the farmers of the Community.

We know that they are not all in particularly good situations. We are all aware of this. The Commission is proposing to iron out the consequences of different rates of inflation by modulating price increases via a large reduction in the MCA. So, it would be wrong to say that nothing has been accomplished when only last year the Commission proposed measures to increase market support for wine, olive oil and fruit and vegetables. And lastly, to deal with the real concern — we all recognize the fact — of some small farmers, particularly in the milk sector, the Commission is proposing direct assistance in the form of a modulation in the rate of the co-responsibility levy. This is both a compromise and the only way out, as far as we are concerned. The Commission is proposing to handle certain difficult situations in the Mediterranean area by large price increases for products from this region. And I should also like to remind you, Mr President, that, in 1981, the Council decided on an important series of structural measures for the Mediterranean areas.

Mr President, if I have insisted on this aspect of farm incomes, it is because I know just how tragic the situation of some farmers is. I don't say all the farmers. Just some of them. Price increases which are not made with a view to a better balance of certain agricultural markets have harmful effects in the end. You know that as well as I do. And these effects, I must stress, hit the farmers first and foremost if our prices are badly defined. You have to realize that our Community — and you witness this daily — cannot endlessly go on supporting products for which there are no outlets or for which we are unable to create outlets.

Our Commission has made the same remarks about other areas of industry, iron and steel in particular. As you know, ladies and gentlemen, lots of jobs had to be

lost to prevent us from producing 30 000 000 t of steel for which there were no outlets. Well, we could well get the same situation in other fields too. So what we have to do here is fix overall targets that are economically viable. Which is why, in accordance with the agricultural guidelines, we proposed, in the Commission's answer to the mandate of 30 May, that there should be price thresholds for certain products and surpluses should be gradually absorbed over a five-year period. So the Commission is proposing a solution, and not following it would be even more disastrous as far as the farmers are concerned.

I should also like to stress the fact that the Commission proposals are a unit and I would ask you, ladies and gentlemen, so see them as such. It is a coherent unit which is in line with what the European Parliament said in the resolution of 1981 — I shall not venture to remind you of it — on guidelines for the CAP. The CAP is one of the pillars of European integration — it has been, is and will go on being so — and its privileged position means it has to show that it is able to master the fundamental problems facing it.

Mr President, for more than two years now, the CAP's scope has got broader and its expenditure has gone up — and I can only whisper this — slower than own resources. Too many people pretend to ignore this. Farm price increases have not kept pace with food price increases. European agriculture is even beginning to stand up to comparison with the agriculture of its big international partners. This is not defeat. It is victory. The improvements have to continue as there is no alternative to this policy. The credibility of the CAP is at stake, as is the credibility of this Community that belongs to us all.

So — and by way of conclusion to these few words — it is absolutely vital for this debate to enable the House, as I cannot emphasize too strongly, to make a clear statement about the decision to be taken next week over the next few hours. I am convinced, please believe me, that what you have to say is important and that it must not be prey to political fantasy. Your message has to be clear and, as far as I am concerned, it has to say that you are resolute and guided by the overall direction of our proposals. And, I hope, it will have the support of a large majority.

I have to say that, having paid careful attention to the work of your Committee on Agriculture, and to what you have said over the past few hours — and please do not blame me for this, Mr President — I am slightly worried about the contribution that these discussions might make. But I am confident in your wisdom and I hope that tomorrow's vote will give farm price fixing this year the sort of stamp that will consolidate the common agricultural policy and not threaten it. The Commission will of course be proving, at the right moment — in a few days, that is to say — that it has the flexibility required of it. Not endless flexibility, but the sort of flexibility that is necessary and indispensable.

Thorn

ble if the wishes of the House are to be integrated into the Council decision. And here again, we want your vote and your majority, for our flexibility and our choice depend on them.

I ardently hope, with conviction and confidence, that the Member States will share our point of view. It is vital, Mr President, for the future of the agricultural community — and I say this, in particular, to all those who are profoundly attached to it, I say this for the future of the CAP and of the whole Community, in view of the importance of the CAP — that a coherent decision be taken, within the prescribed time, by the Council. If this is the case, as I hope it is, we shall be able to say, once we have got the time limits respected this year as they were last, that we will all of us have fulfilled the conditions whereby the farmers are satisfied this year and, most important, can expect things to be better in the future. We shall also be able to say that the common agricultural policy is still in the centre of things, the cornerstone of Community policy.

(Applause)

Mr President. — I call Mr Horgan.

Mr Horgan. — Mr President, as a Socialist I have no difficulty in accepting that the basic aims of the CAP should include the provision of a decent standard of living for all farmers, strengthening agriculture and the elimination of unnecessary surpluses. Nothing could be easier in principle and more difficult in practice. I could give a very practical example. For stability in the long term cattle prices are covered by the CAP, but it is even more important that the price support mechanism for cattle be restructured so that it will be as profitable for the farmer to sell his animals to a meat factory as for live export. This is vital if the frightening rise in unemployment in the Irish meat industry is to be halted and reversed.

There is nothing unsocialist about attempting to support the living standards of farmers, especially small and developing ones; this fact is being increasingly recognized and defended by Socialists in other countries — France, Greece and Italy. I am encouraged by this, just as I am still dismayed by the actions of some of our colleagues on the Left, who will vote against aid for some of the smallest and poorest farmers in the Mediterranean in the mistaken belief that the interests of these farmers and of the urban worker are in some way diametrically opposed.

It is also, of course, vitally important that our consumers, especially the poorer ones, should be protected from price rises by domestic economic and social policies designed to safeguard and improve their standard of living, and I believe that it is precisely Socialism which can offer such policies. Agricultural and indus-

trial employment are two sides of the same coin. Socialists have never believed in robbing one set of workers to pay another. It is high time that Socialist policy towards agriculture started to confront more effectively some of the problems it is already attacking in the industrial area, notably the problems of accumulation, monopoly and the exploitation of workers. Where the exploitation of workers is concerned, the point can be made that the banks and the interests behind them, which have long been the paymasters of industry, are now becoming the new landlords in farming as well.

Of course it is true that the CAP also supports a large number of well-off farmers, but this must be tackled in several ways within the structure of the CAP not only by this Parliament but also and especially by the Commission. It must be tackled on the national level by progressive policies aimed at reducing social inequalities. And it must be tackled by farmers themselves. The myth that the big farming organizations speak equally for all farmers must be challenged. It can be most effectively challenged by the small farmers. The city trade unionist does not march behind the banner of the Federated Union of Employers, and it makes no more sense for the desperate smallholders of Europe to storm the Berlaymont in the interests of the ranchers, the monopolists or the agri-business subsidiaries of multinational corporations.

Some people believe that by cutting down on agricultural spending we can increase social spending in the Community. I ask them: what happened to the money that was returned from agricultural funds last year? Did it go into the Social Fund or the Regional Fund? No, it went back to the national governments. As vice-president of the Committee on Social Affairs and Employment, I yield to nobody in my fight for a decent Social Fund to tackle the appalling problem of unemployment, but the relationship between agricultural, social and regional spending is a problem which is fundamentally not yet for this Parliament with its limited powers but for the Council of Ministers and for that shadowy non-Communitarian institution, that ghost at the feast, the European Council. In the absence of a properly funded social and regional programme, for an Irish Socialist to vote against reasonable increases for agriculture would simply be to refuse bread today in the hopes of a bigger slice tomorrow. It would be political anorexia.

I believe, Mr President, that many Irish farmers will be surprised and heartened by the support that they have had from the benches of the Socialist Group and indeed the Communist Group in this debate here today. I do not expect them to change their allegiance overnight from the conservative political parties that they have supported for sixty years, but I would ask them to accept that the reason they are getting the support is not because they are farmers, not even because they are Irish, but because they are workers like the rest of us.

President. — I call Mr Gerokostopoulos.

Mr Gerokostopoulos. — (GR) Mr President, fellow-Members, we all without exception recognize the importance of the subject under discussion. I would therefore be forcing the issue if I were to insist yet again on emphasizing the importance that our decision will have for the fate of farmers in the Community and of their families.

I shall therefore limit myself to certain necessarily brief comments concerning the two texts we are considering, namely the proposals of the Commission and the proposed resolution of the Agriculture Committee relating to the prices of agricultural products. I followed with great attention Mr Thorn's appeals and exhortations, which somehow reminded me of the song of the Sirens against which Ulysses had to fill his ears with wax. All the same, I believe that both the proposals of the Commission and the efforts of its President — so far as they relate to the proposed increase of 9% in the price of agricultural products — even taking into account the discriminations envisaged, are totally unacceptable for the following reasons:

Because they ignore the drastic fall in agricultural incomes that has occurred in the last few years, to combat which will require measures much more daring than those proposed.

Because inadequate consideration has been given to the fact that particular conditions apply to different regions, for example differences in the evolution of incomes, differences in the costs of production, or differences in the agricultural yields, and finally the different inflation rates. Referring specifically to my own country, Greece, I repeat what has already been said by my colleague Mr Papaefstratiou, because the factors that make the proposed increase of 9% totally unacceptable are very characteristic. Thus, the high rate of inflation during 1981, amounting to 25%, has no hope of being reduced in 1982. Secondly, the high proportion of our agricultural population, which is close to 30% of the entire population of Greece. Thirdly, agricultural incomes amount to only 40 to 50% of the incomes in other sectors of our economy. It should also be noted that in general the income of those in work in Greece is no higher than 50% of the corresponding figure in the Community at large. As for the proposed resolution of the Agriculture Committee, I recognize the notable and successful effort made by its members, and particularly by its rapporteur Mr Curry, to face these particularities. Here too, I do not consider satisfactory the proposed increase of 14%. I would be able to support an increase of 16% or up to 16.3%, as proposed by many colleagues and by the farmers' organizations, on condition that this increase would have to be accompanied by a series of

supplementary measures aimed particularly at supporting the producers in Mediterranean countries, and especially the small ones among them. On this point, even though Mr Alavanos is not here at the moment, I would like to express my regrets at the way in which he expressed himself about the colleagues who spoke before he did. I imagine, however, that the cold reception accorded to his words by our colleagues here present will have given him the appropriate answer to his unacceptable and demagogic intervention. Mr President, before I run out of time I think it essential to comment on certain points in yesterday's speech by the President-in-Office of the Council of Ministers, Mr de Keersmaecker. This, because they suggest an optimistic view about the satisfactory outcome of the matter in hand from the work of the forthcoming meeting of the Council. The points in question are as follows: The expression of the principle that the fixing of agricultural prices should not be linked to the attempt to solve all the Community's problems, the emphasis on the fundamental importance of the CAP and the establishment of the need to give preferential treatment to Mediterranean products.

Mr President, permit me to express the hope that the aspirations aroused in us by the Minister's declarations will not come to nothing, and secondly the wish that the Council will examine the entire problem in a way that places greater weight on political and social criteria rather than on narrow logistic concepts.

President. — I call Mr Sutra.

Mr Sutra. — (FR) Mr President, Honourable Members, can we line our price policy up on one side and our structural policy up on the other? Can we put Europe on one side and the Third World on the other in Lomé or any other agreements? Can we put Europe on one side and the USA on the other in GATT? Of course we can't. And can policies be linked? It is difficult, no doubt, but can it be avoided? We cannot afford to fail.

I should like to thank Mr Thorn for one thing at least. I did not agree with all he said, but he made it very clear that the debate is not just one of farm prices but of the whole issue of agricultural policy. And here, there are a number of things we have to get right, in particular the structural policy and the price policy — which are not in contradiction with each other. This would only happen if what we have always proposed in this House was refused, namely that Europe's responsibility to the farmers should be limited. There is a limit and it depends on the volume of production, which is why, as my friend Mr Eyraud said just now, we will support the Commission's proposal on durum wheat. It sets an example. It has to be taken further, but it is an example and it reflects acceptance of a principle we have already defended.

Sutra

European agriculture is sick, of course, but its sickness is also called money. Until today, Honourable Members, money and markets went together. When there were colonial empires, we used to have the dollar zone, the sterling area and the franc zone. There was one currency for one market. But today, we are trying to run a market with 10 different currencies. It's hard. Europe is trying to do something very difficult here. It will surely be one of the institutional revolutions of the century. But it must not be at the expense of the farmers. I should like to thank Mr de Keersmaecker, the President-in-Office, for his speech yesterday when he proved that he had not forgotten what he had told us in the Committee on Agriculture when he was recently one of its members. So we do not agree with the calculation whereby a one-point increase in prices necessarily means x number of millions in the budget. This seems to us to be wrong. It's not true. There are far too many other variables, particularly world prices and the level of the dollar and other currencies. There is no direct tie-up and we cannot accept the reasoning.

Mr President, I should like very quickly to say one or two things about Mediterranean agriculture. As my colleague, Mr Colleselli, said just now, these problems can of course be solved. Yes, it is possible to have a policy for fruit and vegetables, but goodwill alone is not enough. What we want is will, will alone, the will to succeed, something that is active, constructive and strong. There has been goodwill up until now, of course, but what is wanted is a bit more courage. I think it is fairly surprising that those people who want the treatment offered to wine and fruit and vegetables to be the same as that which forms the basis of the common agricultural policy — that is to say guaranteed prices — are being taken to court and being told that what they are doing is not in the Community spirit. But it is an essentially Community thing. It is the basis, the very foundation of the common agricultural policy in Europe and has been for 15 years, this notion of guaranteed prices. Obviously it is not enough. We also need structural policy. But it is unthinkable for some Europeans to have different rights from others. You also have to realize, and here I am talking to the Council of Ministers in particular, that those people who are refusing the price guarantee for wine and fruit and vegetables are in fact blocking Spain's entry to the European Community.

We shall say yes to other policies. Yes to a social policy when there are eight million unemployed. Yes to a development policy and to solidarity with the Third World. But as I said a year, maybe two years ago, we cannot get these policies off the ground by scrimping and saving on the common agricultural policy. A year or two back, this was only an opinion. But today it is fact. Last year, we saved 1 700 000 EUA on the farm budget. Did this breathe fresh life into the social policy or the development policy? No, it did not. The sums in question were paid back to the Member States. This is what we said a year or two ago. This is what happened last year. We are sorry about it.

President. — I call Mr Früh.

Mr Früh. — (DE) The great battle has been fought. We have had our perennial debate on agriculture. I should like to thank the rapporteur, Mr Curry, and to express my admiration for two gentlemen in the Chamber, who have had to bear the whole burden of this debate, the President-in-Office of the Council of Agriculture Ministers, our former colleague Paul de Keersmaecker, and the Commissioner for Agriculture, Mr Dalsager. They have had the hardest time. They have had to sit here hour after hour and listen to arguments. Allow me to say something about these arguments.

I have been attending these debates on agriculture since 1973. It has in fact been a sad chapter, because my impression is that it is difficult to tell us anything. It can almost be predicted who will get up and what line he will adopt. That is the way it has been for eight years, and all we hear about the agricultural policy from some quarters is destructive criticism. Other quarters may sing the praises of the agricultural policy. They think it is the greatest. I am really sorry that we are apparently unable to learn from one another.

Just now I heard our honourable colleague Mr Wetting saying that the agricultural policy is a self-service shop. For whom? For the farmers' lobby, of course: some people derived excessive benefits from the agricultural policy, he said. That is what happens if you do not read any reports on agriculture or study incomes in agriculture. I do not know where these excessive benefits come from and who is being worsted as a result. But from the same side of the House I also hear — and this makes me wonder — that there should be a 16.3% increase, and even that is not really enough. Is our opinion-forming process not such that a group at least cannot come to some kind of agreement, so that our views may be taken seriously?

I am sorry that the President is not here. During the speeches to mark the 25th anniversary of the European Community I was struck by the fact that the only unsatisfactory development he mentioned concerned the agricultural policy. That may be the President's opinion, but I am not sure that it is Parliament's, and he was speaking on Parliament's behalf. Opinions vary, but that is not the opinion of the majority. Whatever has happened, the agricultural policy has done most for European unification. Unsatisfactory developments must be discussed, but we cannot say this is the only unsatisfactory development and overlook the fact that there has been no development at all under the energy, transport, social, regional and other policies and complain about something which has undoubtedly laid the cornerstone of this Community. Without the agricultural policy we would not have had a European Economic Community or the European Community or any of the other developments.

Früh

I very much regret that President Thorn is no longer here. He described the overall picture in excellent, well-chosen words, but I would have liked to discuss this with him. I am the last person not to want to view agricultural prices and the agricultural policy in the general context, even in the context of the famous mandate of 30 May. But the big question is whether that is the right way of going about it. I have the impression that the intention here is to punish those who have already done so much for European unification, the farmers, and to say: Now it is your turn to make sacrifices, so that we do not overlook the general context. Various things are to be done at the farmers' expense, it would seem.

President. — I call Mrs Van Hemeldonck.

Mrs Van Hemeldonck. — (NL) Mr President, the position defended by some Members of this Parliament, which amounts to an increase in all farm prices without distinction to a level well in excess of the 9% proposed by the Commission, is a real social disaster for the low-income groups in the Community, and first and foremost for the small farmers and particularly for farmworkers. A general increase in the prices of agricultural products will in no way guarantee a corresponding rise in the incomes of wage-earners in agriculture. It is also a social disaster because of the effect the increase in farm prices will have on the Community's general budget. Once again the workers of Europe are to be deprived of the financial resources needed if a positive employment policy is to be pursued. I should also like to stress the disastrous effect on the first victims of the economic crisis, the 11 million unemployed and the 19 million pensioners, who form the lowest-income category. 30 million families in the Community are having to live on substitute incomes, on social security benefits, on small pensions, and they spend 40 to 50% of the family budget on food. Undifferentiated increases in farm prices will result in an unprecedented increase in the burden on consumers. The consumer organizations estimate this burden in the longer term at 20 486 m u.a. We all know that an increase in the prices of farm products is an excuse to push up the profit margins of the food industry, the middlemen and the distribution sector. The Commission itself admits that food prices paid by the consumer rose by over 10% between 1971 and 1981. But at the same time the low-income groups, and particularly the unemployed and the elderly, have suffered an overall loss of purchasing power of 30% as a result of less favourable social provisions and the economic crisis. We must see the decline in the consumption of the more expensive dairy products such as butter and cheese and of protein products in the form of meat as a serious sign. Hence, Mr President, my urgent appeal to the Commission to draw up a special new plan of action to protect the consumer against any inordinate increase in the prices of basic foodstuffs, meaning food containing protein produced by both the dairy

and the meat sector, and also in the price of bread, potatoes, and fruit and vegetables in season.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I have followed this debate with great interest, both yesterday and today, and I do not feel it to be a burden, as Mr Früh put it, to be present here, for the vast majority of the speakers and contributions which have been made to the debate have shown very clearly the keen interest which the Members of this Parliament take in the agricultural policy. I do not take the criticism of the Commission's proposals or of the agricultural policy, which has been amply voiced today, as criticism of the notion that we should have a common agricultural policy, that we should keep to this policy and that we should fight to ensure the survival of this Community. One of the key factors in this is, of course, the common agricultural policy.

I do not need to give an account of the Commission's position once again; I did that yesterday. I think everyone understands that price increases are necessary in order to improve the incomes of European farmers. But everyone also knows that we think it would be unwise for Parliament to adopt the provisions contained in Mr Curry's proposed resolution.

In the short time at my disposal this evening, I cannot of course answer all the points which have been raised. Many of them have already been dealt with by other Honourable Members of this House. I will merely point out that I have taken note of many of the Members' proposals. When the Council comes to take its final decision next week, I hope that the President of the Council and I myself can make use of some of these suggestions in working out the final solution which, after all, will be a political solution.

There are perhaps two things which I should make clear in the meantime regarding price levels. In the first place, I still do not believe that all Members of Parliament fully understand that the common price increase is the increase which will apply in the national currencies of the Member States. The fact remains, however, that possible devaluations in the green currencies may give rise to considerably greater price rises in some Member States. If the green devaluations were effective to their fullest extent, we should be talking — over and above the common increase proposed by the Commission — in terms of a further rise in relation to last year's price determination of over 9% in Belgium and Luxembourg, 6% in Italy, 3% in France, 3% in Denmark and perhaps 2% in Greece. This means that the real increase in terms of national currency is not 9% but considerably more, for quite a few countries at all events.

Secondly, some of our Greek colleagues have apparently not taken into account what the price increases

Dalsager

will represent in Greece in real terms against the background of our price proposals and the price adjustment which resulted from the Treaty of Accession. I greatly regret that the most critical of the Greek colleagues are apparently absent and presumably do not feel the need to take part in a dialogue on Greek problems, which are of great concern to us all. I would point out that the price increases for certain products in Greece will be over 20%, for olive oil between 15% and 20%, as for certain crops, such as oranges, peaches, tomatoes and certain varieties of tobacco. As proof of the fact that the Community is very concerned to solve the problems of Greece — although we have given no assurance that they would be solved one year after accession — I would point out that, in 1982 and 1983, Greece will receive payments from the Agricultural Fund of an order which will make it one of the chief beneficiaries: in 1983 it will stand to receive 1 000 million units of account. If that is considered to be a meagre result from membership of this Community, I can assure the Greek representatives that there are other Members of this Parliament and of this Community who obtain much smaller returns from their membership and from the agricultural arrangements in this Community.

What I am putting before you here are facts which the Members of Parliament must consider before voting tomorrow. Your votes and your resolution will have a political effect on the Council's decisions and on the future of the common agricultural policy. But let me remind you that you are not merely voting on the level of prices but on something which is perhaps of greater importance: the associated measures.

In June last year, you voted for an adjustment of the common agricultural policy in the specific direction of production targets and of measures which would be taken if the targets were exceeded. In January, the Commission took these factors into account in its price package. All we ask of you therefore, Mr President, colleagues, is that you support the measures which Parliament itself voted should become a task for the Commission.

Let me finally say a few words on the budget. This Parliament carries responsibility for the budget. Parliament has repeatedly asked the Commission to draw up a policy which would give more scope for pursuing policies other than the agricultural policy alone, and to make more funds available for policies other than the agricultural policy. Through the last two price increases, the Commission has been able to propose higher price increases for farmers in recent years. At the same time, we have — with the aid of management, the world market and other factors which have been in our favour — been in a position to save some resources which have enabled us to say to other policy committees in Parliament and in the Council that there is now money available for regional policy, social policy or whatever. Savings have thus been made for other purposes while, at the same time, no economic

problems have arisen for the Community's farmers as a result of this policy, since they have gained more benefit from the Community than before. They have realized the prices which the Community guaranteed them.

It is really not very important that we differ by a few percent on the price increases; that is not what matters. I feel that it does matter when our views differ and our paths separate on questions of principle, which the Commission and Parliament have jointly agreed should be pursued. If we change our minds on agricultural policy, we change our minds on the objectives we have set for ourselves in the Community and we also change the prospects we have in the future of making agricultural policy succeed in this Community — not only for the benefit of the farmers but also for the good of all the cooperation for which we bear a common responsibility.

(Applause)

President. — The debate is closed.

The vote will be taken at the next voting time.¹

(The sitting was suspended at 6.30 and resumed at 9 p.m.)

IN THE CHAIR: MR GONELLA

Vice-President

4. *Current status of the mandate of 30 May 1980*

President. — The next item is the interim report (Doc 1-1/82) by Mr Hopper, on behalf of the Committee on Economic and Monetary Affairs, on the current status of the mandate of 30 May 1980.

I call Mr Hutton to speak on a procedural motion.

Mr Hutton. — Mr President, I have not received today my copy of the 'rainbow' of yesterday proceedings, and as far as I know this has not been available to any other Member. You will appreciate, Mr President, that this is a very valuable help to Members in their work in this House, and I should be grateful if you would be kind enough to look into the reason why the 'rainbow' has not come to the Members of this House,

¹ Membership of Parliament: see Minutes.

Hutton

and perhaps ask whoever is sitting in your chair in the morning to let the House know.

President. — I shall put the question you have raised to the Bureau.

I call the rapporteur.

Mr Hopper, rapporteur. — Mr President, this morning we celebrated the 25th anniversary of the European Community; this afternoon we discussed one of the more pressing problems of 1982 — namely, agricultural prices; and this evening we turn our attention to what our French colleagues have called very aptly *la seconde génération* — that is to say, the next 25 years. That is the subject of the mandate exercise and of the mandate debate.

Most of us will agree that the mandate exercise had a very unfortunate origin. It started off, in the words of a senior official of the Council of Ministers, as a figleaf — a figleaf to cover the embarrassment which the Council of Ministers felt about the budgetary problems of one Member State.

Like everyone else in this House, I regret the origins of the debate, but I am happy to say that the figleaf has acquired a life of its own and may even grow into a tree. It has been apparent for some years that a review of some of the policies of the Community was due. The Spierenburg report, the report of the Three Wise Men and the Plumb report were all, in their different ways, moves in the right direction; but, if I may say so, they generated more light than heat. The great debate never took off.

It would be too much to say that the mandate debate has excited widespread interest. In my own country, I doubt if one person in a thousand knows the meaning of the term. But it has generated widespread activity and interest in eight of the Parliament's committees, in the Commission, in the Council of Ministers and even in the European Council. It has focused all of our minds on the need for a basic review of policy. This is not to say that all our policies are wrong; merely that some may be wrong, that some could be improved and that some new policies may be needed.

So far, the mandate debate has been no more than an opportunity. There is the original mandate itself: a very peculiar document indeed, a kind of Rosetta Stone of incomprehensibility. As a Scot trained in biblical exegesis, I may perhaps have some advantage over my colleagues when it comes to analysing it. Then there is the Commission's response, which took 13 months to gestate, like an elephant. Some of us would consider it rather a thin elephant. After that came the 12 supplementary documents, some weak, others quite interesting. As the rapporteur, I think I can say that the majority of the members of the Com-

mittee on Economic and Monetary Affairs have felt considerable dissatisfaction with the quality of the Commission's product, but I would ask my colleagues not to allow themselves to sink into a slough of despond and negation. Whatever has gone before, we need strong, positive attitudes in all the Institutions of the Community, including our own. Great things have been achieved in the last 25 years, and greater things lie ahead.

The interim report before you today contains a few simple messages. We want the mandate exercise to be treated as a whole and to be completed as soon as possible. We want the proposals in Chapter 1 to be translated into action. We deplore the fact that there is still an *impasse* in Chapters 2 and 3 concerning agriculture and the budget, and urge the need for a speedy settlement. In the context of the budget, we urge the establishment of a mechanism of a general, rather than specific nature.

Parliament has had very little rôle to play in the mandate exercise until now. There was little we could do until such time as the Council of Ministers reached agreement on budgetary matters. I do hope that Mr De Keersmaker will be telling us in a few minutes that agreement on these matters is about to be reached. Parliament will then have something to get its teeth into for our final mandate report and debate in June. Thereafter we may hope to devote the greater part of our time for a year or more to helping to translate these proposals into law.

The Right Honourable Member for North Manchester remarked yesterday that of the two resolutions before the House this week, the report on agricultural prices was more important than the mandate report. I do not wish to disagree, except to say this. In ten years from now no one will remember what the price of milk was in 1982, but in ten years' time people may look back on the mandate exercise as a landmark in the history of our Community.

(Applause)

President. — I call the Council.

Mr De Keersmaeker, President-in-Office of the Council. — (NL) Mr President, my report on the state of the discussions on the mandate will be briefer than it would have been a few days ago. Not because things have come to a standstill. On the contrary. Some progress was again made at last Tuesday's meeting, but the process of *rapprochement* that began the day before yesterday has not yet been completed. There is still a need for caution. The Presidency is, of course, prepared — I can tell you that now — to produce a report in due course on what is done on 3 April as a result of the new proposals that have been put forward.

De Keersmaecker

As you know, the European Council reached a wide measure of agreement on the first two aspects of the Commission's proposal at its meeting last November to discuss the Commission's report on the mandate of 30 May 1980. It instructed the Council to find solutions to the four remaining problems, which concern the dairy sector, Mediterranean products, the trend in farm spending in the Community and above all the budgetary problem. During our discussions in December and January we reached conclusions on Mediterranean products, still on a conditional basis, of course, to the extent that there is only agreement on the aspects I have mentioned where agreement is reached on all the instructions included in the mandate. A conditional agreement has thus been reached on Mediterranean products, and considerable progress has also been made towards agreement on the dairy sector and more specifically as regards what are known as the problems of the small producers and the trend in agricultural spending. I would emphasize that considerable progress has been made, but an agreement as such has not yet been reached.

The budget problem is still the major difficulty, however, and has recently become the stumbling-block. I should explain this. The British Government's request for an improvement in the ratio of its contribution to the Community budget to expenditure by the European Community from which the United Kingdom benefits has resulted in a doctrinaire, not to say a theological debate on the various proposals relating to content and procedures as a means of finally opening this file. As you know, use is made of general guidelines, which are designed to make it possible for all the aspects of the mandate to be executed. These guidelines should, however, be supplemented at a later stage to cover the precise amount of compensation to be paid to the Member States concerned and the manner in which this compensation is to be financed. The consideration of these guidelines in the Council very soon focused on the concept of digressiveness, which some feel should be conditional, continuing, therefore, only as long as some Member States are exposed to what is called an 'unacceptable situation' where the Community budget is concerned. This means that digressiveness was regarded as acceptable only to the extent that it should spring from a reduction of the burden imposed by the budgetary problem, seen, of course, from the British Government's point of view, a reduction which, with the passage of time, should be the result of the financial effects of new Community policies on the budgetary situation of the Member State concerned. But as you know, the other Member States were unable to accept an arrangement that amounted to recognition of a right to compensation likely to become permanent and applicable without distinction. Although the informal meeting of the Foreign Ministers of 14 and 15 January removed many of the differences of opinion, by the end of these talks it was clear that an approach involving guidelines followed at a later stage by a decision on the precise amount to be paid in compensation would not produce the desired

results. A decision was not therefore taken at the meeting of 25 January, and the Presidents of the Council and Commission, Mr Tindemans and Mr Thorn, were then instructed to make bilateral contacts with the Member States to see how further action might be taken to find a solution. We must honestly admit that the results of these efforts by the two Presidents gave rise to some concern and even relative disillusionment. The differences of opinion, of which we were aware, were tending to become more rather than less acute. Nor is this really surprising when it is remembered how important were the items being discussed both for the individual Member States and for the Community as a whole. The Council is therefore especially happy today to be able to say that at our meeting on Tuesday we managed not only to avoid a clash of views and to act in a constructive spirit, but also to take a step towards a possible solution in the shape of a proposal that boils down to the following:

The proposal is that for a given period the United Kingdom should receive compensation in the form of a lump sum where the situation undergoes substantial change. I wish to stress that this compromise proposal was drawn up by President Tindemans and President Thorn at the urging of the delegations, and in my view and in the view of the Presidency it is a proposal which I sincerely believe contains suggestions that may make for a balanced solution for the countries concerned and for the European Community. All the delegations have expressly stated their great interest in these suggestions and feel that they form a valuable basis in the search for an agreement. We must not, of course, close our eyes to the fact that we have not yet achieved our objective, but I would emphasize that the situation looks a great deal different from a few days ago. In the first place, we have a plan for a solution, the general line of which has been favourably received by all the delegations. This will enable us to work towards our goal. Secondly, we are now happy to say that there is a preceptible will to succeed and a spirit of reconciliation, which were previously absent. Come what may, 3 April will be a decisive day, which I hope will put an end, a happy end to a debate which will be of vital importance for the immediate and long-term future of the European Community. You may in any case rest assured that the Presidency will do everything in its power to achieve that objective, taking account of your debate today and the decision you take on the basis of the Hopper report.

(Applause)

President. — I call the Socialist Group.

Mr Papantoniou. — (GR) Mr President, the proposed resolution of the Committee on Economic and Monetary Affairs on the Mandate of May 30th aims to exert pressure upon the European Parliament to assume its responsibilities and to come to an agreement at its sitting of 29 March.

Papantoniou

The proposed resolution contains some points with which the Socialist Group are wholly in agreement. I refer mainly to the fact that the Mandate of May 30th offers the opportunity for a general review of social policy with the aim of promoting the alignment of the economies of Member States, and of dealing with the problems of accommodating the new members from Southern Europe in a way that avoids the creation of unacceptable situations.

However, there are points in the proposed resolution concerning which our agreement is shadowed by serious reservations, and even some points on which we disagree. As is known, the Committee's proposals come under three headings: the development of Community policies apart from the CAP, the review of the CAP in a way which will not conflict with its basic principles, and finally the contribution of the United Kingdom to the Community's Budget.

The proposed resolution characterizes these proposals as an acceptable basis of agreement. On the contrary, the Socialist Group believe that they do not constitute a satisfactory basis for agreement, granted that so far as the development of non-agricultural policies is concerned, they are too vague and unclear and moreover they take no account of the critical problem of finding the requisite financial resources. The proposed resolution recognizes that the three chapters of the mandate are interrelated, constitute a unitary whole, and that they must be examined together. It adds, however, that disagreements on the subjects of agriculture and the Budget must not impede progress towards the other common policies, particularly the strengthening of the internal market, the formulation of appropriate social, industrial, regional and energy policies, and the support of productive investment and the strengthening of International Monetary Collaboration.

The Socialist Group have serious reservations on this point. To be specific, we believe that it will prove exceptionally difficult to find a permanent and satisfactory solution to the problem of allocating the burdens of the Community's Budget without first reviewing the CAP, so as to safeguard the smallholders, particularly in the Mediterranean regions, and the development of the other common policies.

The proposed resolution also emphasizes that it is unacceptable for the problem of the United Kingdom's contribution to the Community's Budget to be dealt with on a temporary basis. On the contrary, a new financing mechanism must be formulated, based mainly on the economic strength and the per-capita income of each Member State. On this point we agree, but we believe that insufficient emphasis has been laid on the basic principle that must govern an overall disposal of the problems contained in the Mandate of May 30th, in other words the clear transfer of resources from the richer to the poorer countries and regions. Let us not forget that the Community was formed on the basis of the interests of its six founder-

members, and thereafter developed like a club of rich countries with similar economic structures. This development was accompanied by an extension of the inequalities between the rich and the poor regions, particularly between the North and the South.

The incorporation of a mature and individualistic economy such as that of the United Kingdom, and later that of a Mediterranean developing economy such as Greece, exacerbated the problems of unequal development and created unacceptable situations that cannot be dealt with on the basis of the existing mechanisms.

The Mandate of 30 May, in connection with the problem of Britain's contribution to the Common Budget, and the appeal for special adjustments just submitted by the Greek Government are living proof of the delay in adapting the Community to a broader Europe.

Mr President, with this opportunity I would like to say that the Greek application is based on the unsuitability of the existing Community institutions and mechanisms for coping with the regional and social inequalities within the area of the Community, and on a misunderstanding of the particular features of the Greek economy.

If the Community lets slip the opportunity provided by the Mandate of May 30th, leaving the established mechanisms untouched, it risks condemning itself to chronic stagnation or even to dissolution. On the other hand, if it proceeds with daring and imagination to develop policies adapted to the special needs of the poorer countries and regions, it will lay the foundations of a just and dynamic Europe.

Finally, Mr President, as a representative of the Socialist Group, I would like to declare my opposition to the incorporation of the Drachma into the European Monetary System, which is proposed in paragraph 9, for the reasons that I had the opportunity to develop during the voting on the Purvis report.

Mr President, the reservations I have expressed on the proposed resolution of the Committee on Economic and Monetary Affairs are important. However, they do not negate our general appreciation that the proposed resolution corresponds to the basic aims of the Socialist Group. For this reason, we shall vote in favour of the proposed resolution.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Giavazzi. — *(IT)* Mr President, colleagues, like the rapporteur, I wish to begin by recalling that this debate is taking place at a moment of double significance: the day on which we are celebrating the twenty-fifth anniversary of the signing of the Treaty

Giavazzi

establishing the Community and a few days before the European Council which, hopefully, will conclude the long discussions mentioned this morning by President Thorn in a spirit of some dejection which one cannot but share.

I mention these points, not for effect, but for two very good reasons: firstly, to remind all of us of our responsibilities and secondly, because without such a deadline, we could not tackle the subject matter of the resolution we are discussing.

It must be said, first of all, that this is an interim report. As such, it fulfils two of the functions indicated by Parliament as essential for implementation of the mandate of 30 May: it contributes — albeit inadequately — to the procedure begun with the mandate and it sets out the principles for interpretation of the mandate stated by Parliament and supported — at least in approach — in the Commission's documents.

It is also a resolution whose primary — not to say almost exclusive — function is to remind the Council of its duty which, in view of the Community's situation and the undue delays which have already occurred since the mandate, calls for more than just evasive or deferred decisions.

However, despite the fact that it fulfils these functions and contains some interesting and practical suggestions for dealing with the current difficulties, we feel that the resolution does not, in its present form, cover in sufficient detail the wide range of subjects involved in the implementation of the mandate.

The group which I have the honour to represent in this speech, while reaffirming its wish that Parliament's contribution should stimulate and encourage implementation of the mandate, will make its adoption of the resolution subject to acceptance of those amendments which complete it in accordance with the group's guidelines. These guidelines were contained in the previous resolutions adopted by Parliament by a large majority, which interpreted the mandate not as a mere accounting exercise but as a relaunching of the Community's essential policies.

The group therefore awaits practical implementing proposals which can legally be implemented before considering the status of the mandate in greater detail, both with regard to the individual sectors involved and the general aspects.

This reservation is even more valid in view of the communications of the representative of the Council, which we consider extremely praiseworthy in themselves and for the personal effort involved in producing them, but which show to an even greater extent the need to consider and assess the new situation in detail.

However, these measure must be capable of launching a genuine process of transformation of the Com-

munity's situation, especially with regard to the more alarming and urgent aspects such as unemployment, inflation and loss of competitiveness, which the Commission itself has indicated as having priority in its analysis of the present situation.

To return to the more immediate future, while recent events give some grounds for hope that certain particularly worrying obstacles may be overcome, such as the budget controversy, this does not mean we should now feel that the worst is over. The crisis will only be postponed for a short time if we fail to tackle the roots of the problems which have been revealed by the facts and highlighted by the mandate, with courageous adjustments to existing policies, the launching of the necessary new policies, the provision of adequate funds and above all, with political will and the provision of powers for the institutions which must express it. This has all been said before and widely supported: the time has now come to act. If we do not, today it will be the United Kingdom, tomorrow some other State, but we will never escape from the crisis of 'renationalization' of the Community. The resolution under discussion has some sound ideas to offer on this point but I shall not dwell on them now. In this regard, the resolution can only act as an intermediate and necessary step towards a more detailed, wide-ranging study.

The important thing is to use what unites us as a basis for finding solutions instead of making our divisions an occasion for blackmail. It is also essential that whatever solution is adopted to eliminate situations which are intolerable to one or other Member State, should consist of measures that are in line with the development of Community policies. This will apply in particular if general compensatory measures are required to accompany the provisions for the United Kingdom. Only in this way will it be possible to avoid the gradual disintegration of the Community heritage, which would start an irreversible process of decline of the Community.

Now that we have diagnosed its ills and prescribed the necessary remedies, what credibility will the Community have if we fail to reach agreement on the means of implementation and do not, in a spirit of solidarity, overcome the obstacles which admittedly exist but are not insurmountable?

We would therefore remind the Council yet again that the Community's future will depend on the way its policies are readjusted. It will be at risk if inadequate action is taken or, worse still, none at all. Parliament which, as the only directly elected institution, has the responsibility of conscientiously carrying out a much wider mandate, cannot allow such a situation to continue.

The observation was made here this morning — and I must give Mr Thorn credit for his passionate belief in Europe — that it is not so much the problems them-

Giavazzi

selves which are discouraging since, in a way, they are inherent in a complex, heterogeneous structure such as the Community. What gives greatest cause for concern is the manner of adjusting to the state of crisis and the apathy which is leading to disintegration. This state of affairs must be remedied in a practical way through acts of political will which go beyond mere statements of principle.

This is the only way in which we can support the action necessary for implementation of the mandate.

(Applause from the Centre)

President. — I call the European Democratic Group.

Sir Henry Plumb. — Mr President, Mr President-in-Office of the Council and Mr President of the Commission, the purpose of the debate we are having now is to bring the influence of the Parliament to bear upon next week's meeting of the European Council in the hope that at long last some real progress can be made on the restructuring and the relaunching of the Community. Accordingly I hope that other groups will join with me in expressing their support for the document that has been drawn up by my colleague, William Hopper, and I would like to take this opportunity of drawing the House's attention to the amendments that have been tabled in my name on behalf of the European Democratic Group.

This, Mr President, is not the occasion to go into the details of the different proposals brought forward by the Commission under the terms of the 30 May mandate. The Commission will know from its previous debates that we have a number of reservations concerning them. But I want very much to underline the general principle brought out in paragraph 10 of Mr Hopper's motion namely, that wherever progress can possibly be made it must be made. Neither the Commission nor the Council should wait until all three chapters of the mandate are agreed before going ahead with any one of them. Only in this way can the movement for the reform of the Community gain the necessary impetus.

Mr President, it will come as no surprise to this House if I devote perhaps a little time to the origins of the mandate exercise. It arose, as is well-known, from the unacceptable situation in which the United Kingdom found itself both actually and in the longer term in respect of its overall pattern of contributions to and receipts from the Community budget. The British Government saw no justification for a situation in which one of the poorer Member States was the second largest net contributor to a Community dedicated, at least in name, to the convergence of Member States' economies. I say, no justification; there is of course an explanation in economic and historical terms. But to explain why something has arisen does

not necessarily make it any more acceptable. What the British Government is asking for is the acceptance at Community level of a principle long familiar to us in the context of our national economies. That is the principle of financial solidarity between the rich and the poor regions and I am sure that there is no one in this House who would be opposed to this principle and no one who would object to giving it concrete expression across the whole range of Community policies.

In other words, Mr President, if convergence and solidarity are to be more than mere catch phrases; if the Community's internal cohesion is not to be put at risk, and with it the prospects of a future progress both now and within a Community of 12; if the citizens of the Community are not to be continually confronted by the prospect of a Council reserving to itself the power of final decision but incapable of making up its mind, then next week's European Council and the meeting of Foreign Ministers on 3 April simply must make substantial progress along the lines suggested by the Commission.

I would like now to touch on the reform of the common agricultural policy or the improvements in the common agricultural policy as it affects the Commission's mandate. We debated this last June on the basis of a report I drew up in the Committee on Agriculture. The House may like to note that an amendment has been tabled in the name of my group calling for increases in agricultural expenditure to be kept in line with increases in own resources, thus of course making available more money for Community action, particularly in the social and economic fields and particularly for measures to combat unemployment. I know that this is in line with the Commission's thinking and I hope that the House can support it.

As I said in June my aim is to make our agriculture more consistent and more cost-effective. For it to be a truly common policy we must eliminate national aids. For the Community to discharge its responsibilities in the world, we must establish coherent policies on food aid and on agricultural exports. For the common agricultural policy to be cost-effective, we must find ways of making better use of taxpayer's resources in respect of price support and of export subsidies and we must be more flexible in respect of imports, particularly of those products which the Community does not produce in sufficient quantities, and if we make progress along these lines, we shall not only have improved the common agricultural policy, but we shall have made substantial progress towards the convergence of our economies.

Now, Mr President, this morning we heard speeches by three Presidents to commemorate the signing 25 years ago of the Rome Treaties. Excellent speeches they were. And may I say how much I regret, and I know this feeling is widely shared in my own group and perhaps elsewhere, that my country was not

Plumb

among the founder members of the enterprise whose first quarter century we celebrate today. It is no reflection on the wisdom and on the foresight of the original Six that this evening we should be discussing a document which foreshadows profound changes in the character of our Community, changes which can and must serve to relaunch the Community in the eyes of the world and in the affections of the European citizen.

It is my profound belief that such a relaunching must take place. A Europe which fails to measure up to the challenges of today will become irrelevant, impotent and incapable of taking the place in the world to which it is entitled by virtue of its achievements. These challenges can only be successfully faced in a spirit of solidarity — a spirit which I believe will flow from the measures undertaken as part of the restructuring initiated by the 30 May mandate, it is in this sense that I recommend the report to the House and urge the Commission and the Council to bring their deliberations to a speedy conclusion.

Finally, Mr President, I should like to take this opportunity of expressing my group's gratitude particularly to Mr Tindemans, whom I have known for many years, for the very close personal interest he has taken in finding a solution to the problem of restructuring the Community budget. We very much hope that the generous and imaginative proposal he has recently put forward as President-in-Office of the Council can form the basis of a long-lasting agreement.

Mr Bonaccini. — (IT) Mr President, for the second time in four months we find ourselves discussing an interim report on this subject. I think Mr Hopper deserves credit for his perseverance in completing a laborious task in what were undoubtedly difficult circumstances. After four months of serious discussions and evasion of the issues, ambiguous announcements and resolute statements, nothing has emerged to allow us to take an optimistic view of the development of this 'infant' born on 30 May 1980 who is now two years of age, talks a lot but cannot yet walk. By 'walk' I mean take steps to relaunch and reform Community policy.

We can only confirm our conclusions of November last — all negative — concerning the role played by the Council in the initial definition of the mandate and our assessment of certain contributions by the Commission, even though these were still only drafted in general form. Four months later, after two years' work, we can no longer allow ourselves to gloss over the facts. Instead, we must objectively report omissions, responsibility and neglect. There is still no sign of the more specific details and proposals promised by President Thorn. The President of the Commission has chosen instead to act as mediator between the Governments, despite the fact that this does not form part of his normal functions. We are now, therefore,

caught between blackmail and the risk that all our achievements in Europe will be destroyed, and abandonment of any idea of relaunching and renewing the integration process in the various fields.

In any case, even if either of these two possibilities should come to pass, the decline of the Community, of which President Dankert spoke so passionately and eloquently this morning, would nevertheless continue and indeed even accelerate. President Tindemans has expressed the hope that Europe will find resources and men equal to the present situation. However, I must say that to me his hope seems to be more the expression of a shipwreck mentality than a real expectation of fruitful action, at least in the present circumstances.

We all wish — I think — to exert pressure on the European Council and on the following Council of 3-4 April but already it looks as if our wish has, to a large extent, been thwarted. The information we have just received from the President of the Council concerning the intergovernmental compromise now being finalized is extremely serious. Once again there has been a surrender to the concept of the 'just return', to which Parliament is and always has been opposed. This concept now appears to be firmly established for future years through the manner in which it is to be put into effect. At this point, now that a large part of the *acquis communautaire* that belongs to the very concept of the Community has been set aside, new questions and new unexpected demands are emerging at the intergovernmental negotiations.

It seems that the President of France has said that his Government does not consider itself bound by these consultations. Since this information is only second-hand, I naturally treat it with some reservations; but if it is true, then we can only conclude that the conflict will go on.

Our present course justifies the pessimism which marked the speeches celebrating the twenty-fifth anniversary of the signing of the Treaties of Rome and was also linked with the matter of the loans, the failure of the EMS and so on. I must conclude by paraphrasing what was said this morning: Parliament will only be defeated if it accepts defeat.

We have tabled some amendments proposing that the 1% limit for own resources should be exceeded; that in the event of disagreement on this matter, there should be conciliation procedure between the Council and Parliament; and that discussion of the Mediterranean policy and the removal of disparities, an integral and crucial part of the mandate of 30 May, should be resumed.

In the vote on the motion for a resolution as a whole, we shall take account of the debate and the vote on the amendments. We call on our colleagues from all groups to be prepared to fight a long, hard, political battle, both in our committees and in the national Par-

Bonaccini

liaments, to restore strength and cohesion to the Community and the process of European integration in all fields. They will thus be exercising that right to speak on behalf of the peoples of Europe of which Parliament is extremely proud.

Three great challenges of our society have to be met: unemployment, which has already been mentioned, 'de-industrialization' and loss of competitiveness. Not one of our States could defeat these challenges alone and everyone in this Parliament must be fully aware of that. We hope that each individual and each political group will be capable of facing up to the responsibilities of the present time, without reservations.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (FR) Mr President, honourable Members, I in fact have only two things to say.

First of all, I should like to explain why I tabled two amendments, to paragraphs 11 and 12 of the draft resolution.

We feel that we need to say, once more, that, although we of course have to solve the problem of the British contribution, and Parliament has indeed undertaken to solve it, any solution, basically, has to be a temporary one. If it were not, then when we got problems like the one facing the United Kingdom today or any other Member State tomorrow, we would slide down the dangerous slope to a situation where the concept of a fair return would be unable to be avoided. And while we are saying all this, we are extremely worried because the agreement in principle just obtained in Brussels seems to be pointing in this direction. You have to admit, ladies and gentlemen, that this is a very strange 25th birthday present for the Treaty of Rome and I do not believe, Mr de Keersmaecker, that it is a step in the right direction. But let us hope that our fears do not turn out to be fully founded over the next few days.

It is important to remember — and this rather seems to have been lost sight of — that it is the development of existing common policies or the creation of new ones that should enable us to avoid unacceptable situations cropping up for one or other of the Member States in the future. These are the very terms of the mandate of 30 May. For isn't it obvious that, if there was a wider range of Community actions, then Europe would be giving each of its Member States more opportunity for improving its situation? So if the new policies exist, then it does not seem necessary to set up a piece of financial machinery that is linked to what is an essentially short-term situation. This is why the aim of the second amendment is to delete paragraph 12. But of course — and don't misunderstand me here — there is still a need, as Parliament has already emphasized, for a global financial mechanism, which has yet

to be defined, that will make for greater convergence among the Member States.

The second thing I have to say is that I wish to draw your attention to a misinterpretation of the facts which is contained in the report. It gives the impression that the first part of the mandate, the development of common policies, that is to say, has been carried out and that the European Council no longer needs to worry about it. But what has really happened? Nothing at all, apart from extending the new Community instrument. Nothing has even been planned. So the next European Council ought to take another look, no doubt as a matter of priority, at what we call the first part of the mandate of 30 May.

And those, Mr President and honourable Members, were the one or two remarks that I felt someone should make this evening.

(Applause from the Liberal and Democratic Group)

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (FR) Mr President, ladies and gentlemen, this is the first time since the installation of this Assembly elected by universal suffrage and since we decided to hold an extraordinary sitting on agricultural prices that we have had another item on the agenda. On the committee, I asked for the report by our colleague Mr Hopper not to be put on the agenda of the agricultural price session because I did not want to give the impression that we were mixing farm prices and the 30 May mandate, which is a general matter. So I am very happy to complain again this evening about the package, that has been in existence for a number of months now, whereby farm problems, budget problems and Community problems are all lumped together.

So, on the occasion of the discussion of Mr Hopper's report — I should like to congratulate him on the work he has done, although I do not agree with his conclusions — we should like formally to renew our support for the common agricultural policy, which is indeed the only policy that can ensure that farmers get a proper income, the only policy that can ensure regular food supplies and the only policy that holds out any hope for a solution to the problem of hunger in the world. The debate on the 30 May mandate has revealed that, for several years now, one of the members of the Community has been blocking the fixing of farm prices, to the detriment of the rural world, in order to obtain a reduction in its financial contribution. This is intolerable and we cannot accept it. We have said once and we will say again that, if one of the Member States of the Community cannot or will not abide by the basic rules, then those that wish to must contemplate new structures. The justification for the

Deleau

Community is the desire to make progress and involvement in Europe should bring each of the participants greater assets, as indeed it always has. Making fair returns a Community law is deliberately turning one's back on progress and plunging Europe into immobility. Making one or two changes to the system is a pretext for preventing new common policies from being forged and interfering with practical projects to get Europe off the ground again.

We have, alas, to realize that the mandate of 30 May is out-of-date. We can all feel Europe weakening on this 25th anniversary of the Treaty of Rome. We all know full well that the procedure of the 30 May mandate is a failure, although that mandate was supposed to be the springboard from which the Community would be relaunched. We have a long way to go. This morning, President Gaston Thorn complained about the cumbersome way the Community operates. And rightly so. We fully share his views. What he said was — and this is something we should remember — that eight months of discussions, one European Council, six ministerial sessions and two missions had failed to yield an overall solution to the 30 May mandate. Will the Hopper report do any better? Will anyone listen to Parliament? These are two questions I dare not answer. But I shall ask two more and I should like an answer to them. How, in conditions like this, can European integration be achieved? Will we find the political will to complete the task? These two questions are still without answers and I do not think that carrying out the mandate of 30 May will provide them.

But a new factor has just this minute emerged. The current President of the Council has just told us that there may be a compromise on the issue of the British contribution. What sort of compromise? This is something new that has come into the discussion late in the day. We are entitled to details. Parliament is entitled to demand them, for we do not want the sort of solution that might mortgage the Community's future for the next five years. So why are we having this debate on the Hopper report tonight if an essential factor is missing? I am almost tempted to say that the dice are loaded, Mr President. What is the point of going on with this debate? In fact, according to what Gaston Thorn said before, on 24 June 1981, the only answer to the Community problem is, and I quote, to lay the foundations of the second generation Europe. That is exactly what we think.

If we are to safeguard the Community's achievements, then the Member States have to do a more thorough job of organizing their solidarity, of developing Community policies, of fighting unemployment and, in a word, of preparing to take up the challenge of the eighties. Common aims have to be redefined in the light of the fundamental principles of unity of market, Community preference and financial solidarity. The mandate was to involve a three-part programme to relaunch Europe and restore Community cohesion. A

fine intention. But, alas, not one that has been reflected in the decisions or proposals so far. Quite the contrary. We are in complete contradiction with this. Once again, if we are to emerge from the crisis, we have to press on. This is the price of European construction. We have to overcome the obstacles.

Obviously we have to find the resources needed to implement a voluntarist economic policy based on productive investments and, in particular, and this is something that has to be emphasized, we have to do this in a special sector — small and medium-sized firms, for they provide jobs. But here again, on the subject of investments, I have to say that I deplore the disagreement between the Council and the Commission about the decision to create the new Community instrument No 2, which should become a permanent instrument. We have to thank Mr Ortoli who suggested that SME projects aimed at innovation or expanding employment should be one of the three fields of action when the NCI was extended. But here again, alas, concertation has failed. This is not the way to make progress or help overcome the economic crisis in the world today. The President of the Council would do well to think about this and leave legal quibbling alone. We know full well that the path to successful European construction is full of pitfalls, but that is a further reason for being on our guard and ensuring that Parliament's rights are respected.

I conclude by asking whether the mandate of 30 May will be a brick in the European construction. I can't tell yet. We will tell you, Mr President, after the debate, when we have seen what answers we get to our questions and what happens to our amendments.

President. — I call the Non-attached Members.

Mr De Goede. — (NL) Mr President, it is now almost two years since the expression 'mandate of 30 May' was first coined. It appears that its contents are to be finally defined at next week's European Council. Even after all this delay it is questionable as to whether the outcome will be a successful one. Europe has adopted the snail's pace. Mr President, a basic principle at this European Council must be that there can be no evading the financial responsibility for policies financed from the Community's own resources, and even less on the fundamental principle of the Common Agricultural Policy. On the latter I have given our point of view during the agriculture debate earlier today. Moreover, I feel it essential that the coupling of the three main items (1) the mandate on general policy (2) agricultural policy and (3) budgetary policy with the associated problem of the British contribution, should not be rigidly adhered to. I believe those matters having a chance of being successfully resolved should be dealt with first, in particular, agricultural prices and general policy. To hold everything in abeyance because of the British contribution would be, in this

De Goede

intolerable socio-economic situation, almost criminal. It is also vital that the *juste retour* philosophy be forcefully rejected. I believe that the solution to the problem posed by the British contribution should have two elements; it should be temporary and degressive. This would appear to be the only way of reaching a responsible solution. I trust that no further obstinacy, not least from Mrs Thatcher, will bring progress in the Community to a standstill.

Moreover, it is distressing to note that Parliament was either not at all or insufficiently consulted during the various stages of discussion between the Commission and the Council. I look forward to changes taking place here. Indeed, an in-depth debate in the House during our April part-session on the results of the European Council should provide us with much clarification.

Mr President, I shall end by expressing the hope that next week's conference of Heads of State will take strong and effective decisions. 280 million Europeans are looking for political action. A spirit of indecisiveness can no longer be allowed to prevail as has been the case for too long now.

President. — I call the Committee on Economic and Monetary Affairs.

Mr Moreau, Chairman of the Committee. — (FR) Mr President, honourable Members, the Committee wanted this debate to be held before the meeting of the European Council at the end of the month.

As far as we are concerned, there is no question of the debate being an academic one, a mere matter of form. It is nearly two years since the European Council gave this mandate to the Commission and we could well be celebrating the second anniversary without the Council having made any clear statement about the Commission's proposals. This House often says that Europe is in a bad way and that there are serious threats to the unity and cohesion of the Community. To say so again could look like orthodoxy. But our concern today is rooted in profound causes that have to be discussed if we are to find remedies for the things that are wrong with Europe.

This debate is taking place on the anniversary of the signing of the Treaty of Rome. This morning we heard professions of faith in Europe from the Presidents of the Council of Ministers and the Commission, but what they said falls far short if no practical policies are devised and implemented to take their generous ideas further. The mandate of 30 May was born of a specific problem, a budgetary one, but no-one would deny that today it is a question of something quite different. The budgetary problem is there and a proper solution has to be found for it, in particular in mind the principles of European construction, but we all

know that the question we have to deal with is the ability of the European institutions to bring about a revival of Community policy to cope with the challenges facing Europe, as one of the previous speakers said. Public opinion is sceptical. As Councils of Ministers follow European Councils, our citizens are getting used to hearing about failure and uncomfortable compromises.

But Europe needs relaunching seriously today, in such a way as to restore confidence in the plans made 25 years ago. We do not want to keep harping on the past. We think that too much attention to the Treaty and to what hasn't been done could mean we are running from the problems we have today. As we see it, we have to reassert the principles by which the construction of the Community was begun, putting solidarity in the lead. Solidarity has to be at the heart of European dynamics. Without it, there will be no way of finding answers to the problems of unemployment or of regional and social inequality. If we cannot give a positive answer to these questions, the people of Europe will stop being interested in the Community. We think that, today, asserting our solidarity means devising determined policies, in particular in the internal market, in our trade policy and industrial policy and in energy, technology and research. This is the only thing that will enable us to overcome and eliminate the obstacles.

But this can only be done if we all agree on the essential idea that the Community cannot be the sum of the interests of each of the countries that make it up. But there are plenty of signs, alas, to suggest that this is often not the case. According to what the President-in-Office of the Council said, progress has been made with the United Kingdom's problem. I hope that the decisions of the next Council of Ministers will lead to a solution that is satisfactory as far as the whole of the Community and not just one country is concerned.

In conclusion, I should like to say that, going beyond any partial answers that are provided for certain outstanding problems, we expect the Council and the Commission to express a genuine desire to relaunch things properly and make progress with the construction of a Europe that belongs to everyone. This is what has to be done if this second generation Europe is really to be of use to all the peoples that make it up.

President. — I call Mr Rogalla.

Mr Rogalla. — (DE) Mr President, ladies and gentlemen, no one is surprised that today of all days so much should be said about what has happened in the last 25 years. I should like to suggest at this late hour that we give some thought to how much has regrettably not been done and could have been done — with a little creativity, as the President of the Council put it this morning — with courage or with a sense of duty

Rogalla

towards our citizens, who have a right after all to see some success coming out of all the heavy work being done in Parliament, the Commission and the Council.

I will begin with a question to do with form, a question which is easily overlooked and one we can do something about. It concerns the parties to whom this resolution is addressed. It would be wrong for the House to address the resolution we are now discussing to the Council and Commission alone, as paragraph 16 says. Where the mandate is concerned, the Commission has, of course, put forward ideas, and President Thorn referred this morning to the many experts on his staff who know Europe's problems and explain them to the politicians. But has the Commission always made full use of its potential strength? Has it been forceful enough in the Council when putting questions and suggesting solutions? Can it not be even more emphatic, hammer even harder on the table and find more inspiration for its work in the suggestions and convictions of this Parliament? Is Europe perhaps not making any progress because of the out-of-date method used by Council, the classical diplomatic three-stage system, the system of the Congress of Vienna? We consider it important for the list of recipients of this resolution to be extended, and we have tabled an amendment to this end. We consider it important that this major problem should also be submitted to the Heads of State or Government for their meeting in Brussels on 29 and 30 March and that they be roused from their slumbers and made aware of their responsibilities in this matter. I assume that our staff have enough imagination to forward this Hopper report to all the Heads of State or Government personally in time for their meeting and to make it clear to them how concerned this Parliament feels.

I now come to the subject of the debate, ladies and gentlemen. It has been said several times in this House, and President Dankert stressed it this morning, that the Council and Heads of Government had not so far taken this directly elected Parliament very seriously. We will nevertheless try once again with an appeal, a resolution on the mandate. As things stand in Europe, I personally cannot exclude the possibility of our having to resort to less diplomatic means sooner or later.

Three examples: does anyone still have any doubts about our problems, can we afford breaks in the negotiations and hesitation when 8 million farmers are faced by an even greater number of unemployed, namely 11 million? How can certain groups in this House call for a 14% increase in farm prices when that exceeds the budgetary limits? Those who advocate a 14% increase in farm prices are opposing the reform of Community policy and the Community's efforts to fight unemployment. The justified expectations our farmers have as regards their incomes must be graded and dealt with in a different way. Second example: the frontier checks that have made the internal market more complicated and less penetrable in the past. Even the search for a new approach to this

question is repeatedly put off with flimsy arguments. The energy policy is the third example. The Commission submits papers of little substance. Many of these papers leave me in doubt as to the serious will of the Commission and Council to help in this respect. Who is applying the brakes on European unification? You will find them in the ministries of our Member States. I am not making any accusations. I am simply saying that they are not dynamic, not European enough in the advice they give our ministers and the Heads of State or Government. They lack imagination, or are they afraid of losing powers?

The Socialist Group put forward various demands in 1979, which I have explained with the aid of a few examples. We therefore welcome the fact that Mr Hopper's interim report recalls the positions Parliament has already adopted in the Pfennig and Giavazzi reports. One last criticism: Was it really only the pressure of the problem of the British contribution that forced the Heads of Government to consider these questions about the future? We regard the mandate as a single entity and call on the Heads of State or Government and the Council to treat it as such.

IN THE CHAIR: MR KLEPSCH

Vice-President

President. — I call Mr von Bismarck.

Mr von Bismarck. — (DE) Mr President, ladies and gentlemen, the President of the Commission referred in his address this morning under the heading of 'vitality and credibility' to the political courage of the great statesmen who should be honoured.

The mandate of 30 May was conferred two years ago at a time of grave danger for the future of Europe. Examples from history show how the danger can grow in such situations. One such example is the situation in Germany before and after 1933. After the danger had become reality and dreadful things had been done, all we and others heard was: 'We knew nothing about it.' No government, no member of a government can, after this terrifying example from history, excuse himself now or in the future with the obvious untruth that they knew nothing about it.

All the governments of the Member States of the European Community, all members of governments and senior officials know that the quasi-government of the Council will not develop the joint will of Europe because there is a conflict with the functions of the individual governments. They are and can be no more than a federal Council — the Second Chamber of the

von Bismarck

Federal Republic of Germany — with all the burdens of national egoism attached to their tasks. All the governments and members of governments know that they have the historical — I would even say, personal moral — duty progressively to create a central European power, without which Europe can neither do proper service to peace nor maintain its freedom and prosperity.

But in neither the mandate the governments gave the Commission in May 1980 nor the subsequent discussions do the Council and the governments of the ten Member States show that they are aware of this responsibility. On the contrary: governments and in many cases national parliaments too attempt, often with the support of the public media, to deceive the public about the true causes of the stagnation and even the serious threat to the European Community. They blame the institutions that have so far been created, for whose limited ability to take action they are themselves originally to blame. The fact that the Heads of Government of the ten Member States were not here today to hear the tributes on the 25th anniversary of the European Community is a bad sign.

The mandate of 30 May will only help Europe to make progress if we — the elected Parliament — reveal and publicly and mercilessly denounce the deception I have just mentioned, the Council's abuse of power and public information. Around, beside and beneath us thousands of nuclear weapons are stored — a Europe which was politically united and capable of acting as a sovereign power could be a power for world peace and perhaps free us of this nightmare for ever. Are we going to wait to see our nightmares become reality? If not, let us use the mandate of 30 May to change our voices into trumpets to bring down the walls of obdurate deafness in the governments of the Member States, the national parliaments and also all the intellectuals, scholars, trade union leaders, managers, churches and every citizen who can read and write. Then, but only then will the mandate of 30 May achieve historical value. *Videant causales* — the forthcoming meetings of the Council and European Council will show whether any one of the Ten's Heads of Government is worthy of the historical and moral title of 'statesman'.

President. — I call Mr Welsh.

Mr Welsh. — Mr President, earlier today we marked the 25th anniversary of the signing of the Treaty of Rome with a solemn sitting. For the British Members this was an uncomfortable occasion because we were necessarily reminded that at that pivotal moment in the history of Europe, we were not present. As a result of that cataclysmic error of judgement by a Conservative Government, the British played no part in those early days of the construction of the European Community. By the time we joined in 1973 we had paid a

heavy price in terms of development, and many of the policies that the Community had developed did not reflect the particular concerns and structures of the British economy, and major effort in terms of understanding was required by all concerned.

The mandate exercise is the latest and most fundamental chapter in this process of readjustment, and never have the qualities of magnanimity and statesmanship been more necessary.

We welcome the President-in-Office's statement which indicates that, perhaps, the Member States are beginning to reach a degree of understanding, and we can only hope that this is indeed the beginning of a lasting solution to the problem of the British contribution.

We congratulate the Belgian Presidency on its efforts so far and express the fervent hope that it will be successful as they reach towards a compromise during the next few critical days.

Members of my group have the difficult task of explaining Britain to Europe and explaining Europe to Britain. One is frequently depressed by the apparently indomitable determination not to understand each other on either side of the Channel. Any one who listened to the speeches of Mr Mouchel for the EPD last night and Mrs Barbara Castle this morning, will readily understand the sort of difficulties that we daily encounter. We sometimes feel that in some quarters there is a desire to punish the British for past omissions. However that may be, we have already suffered a heavy penance, and I believe the time has come to be generous and to realize that a situation that is unacceptable to Britain must in the end be unacceptable to Europe as well.

Own resources do not materialize from some magical federalist treasure-house. They are taxes, and they have to be provided by citizens. It is a basic principle of modern political economy that you do not tax the poor in order to sustain the rich. Indeed it was the refusal by Louis XVI to accept this fundamental truth that produced the French Revolution of 1789 which laid the foundations of democracy as we know it today.

Similarly, it is universally accepted that one distributes wealth towards the poorer elements in any society — be it on a personal, regional or national basis — in an effort to bring them up to an acceptable economic level. This, after all, is what convergence is all about.

This is not a British problem. It is in different ways a German problem, an Italian problem, and it will certainly become a Portuguese problem. Indeed, the core of the discussion is surely that it is quite impossible for those other policies in which we all believe to be developed as long as these fundamental inequities are built into the Community's fiscal system.

Welsh

We all believe in enlargement. The one thing that is certain is that enlargement is going to be very expensive in budgetary terms. How can we be confident that the second enlargement will succeed if we have not been able to adapt our fiscal structures to the requirements of the first?

Mr Deleau has suggested that we wish to destroy the common agricultural policy. Nothing, I assure him, could be further from the truth. I spend a great deal of time defending the common agricultural policy to highly sceptical audiences in my own country and I am more conscious, I suspect, of the virtues of the CAP than almost any one outside my group here. I defend it every day. It is Mr Deleau and his friends who will cripple the CAP by refusing to admit the necessity of adapting it to developing circumstances.

The President of the Commission this afternoon made an extremely eloquent plea for sanity as regards the price rises. We understood that plea. Indeed we shall be voting in that sense tomorrow. Yet it is us that that same President of the Commission recently accused of lack of solidarity.

Mr President, members of my group have a hard row to hoe. We tonight are here to extend our hand to you in friendship. We all hope, my dear colleagues, ladies and gentlemen, that our hand of friendship will be reciprocated by your coming at least a few steps to meet us.

(Applause from the European Democratic Group)

President. — I call Mr Fernandez.

Mr Fernandez. — *(FR)* Mr President, first of all the Communists and Allies want to reassert their attachment to cooperation and to a Europe that is of use to all the countries that belong to the Community. But I must make clear, however, that we will not agree to the interests of the farmers of France being threatened by these current negotiations on, in particular, the question of farm prices. This is something that has been stated, quite legitimately in France, and at the very highest level. It means, most importantly, that solutions to budget problems must not be an obstacle to the definition of proper prices by the projected date on 1 April.

We cannot deal with all the basic problems, particularly the Commission's proposals, in this debate. The proposals call for criticism and thorough discussion and we shall make a constructive contribution to this at the right time. However, we do feel we should give our opinion on three essential problems now.

The first is employment. We want to see Europe relaunched with proper attention to social affairs. The countries of the Community do not all have the same

economic policies. That is a fact that the Commission has to reckon with. And it therefore has to realize that austerity cannot be a model for economic policy throughout the Community. The Community has to use all its instruments, particularly the Social Fund, for vocational training, qualifications and the creation of jobs. But it is clear that the level of employment will also depend on the industrial policy in the individual Member States. We think that employment has to be the priority when investments are made, so the Community should gear its loans and its industrial policy interventions to the sort of investments that will create jobs, in particular in the light of national aims and needs.

The second problem is the British contribution. We think it is wrong and unacceptable for the United Kingdom to adopt an attitude that runs counter to the principles of general operation — in particular when it comes to the Community preference in trade — and to the fundamental principles of the EEC itself, as the fair returns it claims to be entitled to run counter to the rules of the Common Market, which it is failing to respect. The British demands have cost 15 000 000 000 francs, about a third of which has to be paid by France, and they will cost another 10 000 000 000 in 1982. This gift to the United Kingdom is, alas, part of a general heritage that the French government is saddled with and it also puts an unfair burden on the Community as a whole. So the Ten have to find a solution that does not endanger the income and very existence of the small and medium-sized farmers.

The third problem has to do with external matters. The Community has to defend the commercial, agricultural, monetary and financial interests of its Member States by using our common policies. In trade negotiations and those that will be taking place under GATT, the EEC will have to adopt a firm position, in particular *vis-à-vis* the USA, on agricultural policy and iron and steel and textiles. And the European Monetary System has to be strengthened so it can form the basis for the sort of monetary and financial cooperation that will defend the currencies of Europe.

Mr President, I have finished what I had to say and Mr Delatte can now take over. Although, obviously, we regret that this debate is so short, we do think it is an opportunity to set out the essential problems, particularly the problem of employment and incomes. The credibility of the Commission depends on the answers given to these urgent questions.

(Applause from the Communists and Allies)

President. — I call Mr Delatte.

Mr Delatte. — *(FR)* Mr President, honourable Members, I should like, Mr President, if you will allow, to say how astonished and disapproving I am about the

Delatte

procedure for examining the 30 May mandate this House was given. Last autumn Mr Hopper asked for his report to be withdrawn because of the appearance of the European Commission's report on agriculture. We have not discussed this report in committee yet and, although various rapporteurs are speaking on behalf of their committees this evening, this is not in fact on the agenda.

So I wonder what the point of tonight's debate is. Or are there statements and undeclared intentions aimed at getting Parliament to adopt a position that has not been properly clarified and that have led to it being put on the agenda of the farm price session? Today's debate, which has been inopportunistically postponed, ought to have been one of the most important ones since the European Parliament was elected by universal suffrage in June 1979.

With the 30 May mandate, the Council of Ministers has in fact given the Commission and the European Parliament the opportunity to think about the future of the Community. But, unfortunately, the speed with which the Hopper report was put on the agenda leaves me baffled, particularly when May or June will see a new report which will, I hope, take account of the opinions of the various committees consulted this time. I am worried about the compromise that seems to be emerging from the talks going on in the Council of Ministers at the moment. Is the Council planning to bring the matter to a conclusion before the European Parliament has said all it thinks about the 30 May mandate? This we cannot accept.

The second generation Europe we talked about this morning, the Europe that should emerge once the Community has been relaunched, has to be seen in an overall way, without any illusions about what sometimes look like miracle answers. The Commission is falling into the trap and making everything depend on a drop in the growth rate of agricultural spending. This, to my mind, is a short-sighted and unacceptable view. As I see it, the 30 May mandate is not a question of wondering how to reduce agriculture's share of the budget without harming the common agricultural policy. This mandate should be an opportunity to reassert our solidarity and faith in the construction of Europe.

The Commission should not allow itself to be put in a straitjacket. It should have refused to contemplate new policies without raising the ceiling on own resources. It should have said that the British problem could not be solved by anything other than this increase. Do we have to respond to the British request without the assurance of going beyond the 1 % of VAT? It is worth noting that the United Kingdom is already reaping the benefit of common policies, of the common agricultural policy, of course, and the regional policy and the social policy. And more. I should add that the more the United Kingdom integrates, the more it will get out of the Community. In other

words, respect for the principles of the common agricultural policy would reduce the British deficit.

Most of the thought the Committee on Agriculture gave to the report by our colleague, Mr Hopper, was, going beyond general considerations, on the future of agriculture in the relaunching of Europe, which makes me regret all the more that the opinion on the report was not joined to the Hopper report, as the 30 May mandate was the opportunity to assert yet again that the cost to the budget of the common agricultural policy was a reasonable one. It works out to about 40 ECU per European per year. And substantial savings have been made in market management. And the report points out that the reference to world price was meaningless and that the generalization of direct aid was a serious error.

Mr President, if we wish to provide answers to all these questions, I should like us to decide, objectively and calmly, to adapt the common agricultural policy. It does not seem to me to be possible to mix the discussion of the mandate of 30 May with the fixing of prices for 1982-83. The Curry report itself said as much and the decision we expect the Council to make on 3 April should involve fixing prices for the coming year without giving in to the fair returns blackmail.

Mr President, my time is up and I have to finish, but I should still like to say that I find it quite unacceptable to vote on the Hopper report without proper preparation and discussion.

President. — I call Mr Junot.

Mr Junot. — (FR) Mr President, for months now, ever since the Council gave the Commission its mandate of 30 May in fact, everyone has agreed that the Community is facing the worst crisis since it was set up 25 years ago.

You yourself, Mr Thorn, have said how exceptionally serious the crisis is on a number of occasions and once again just recently. But all of a sudden, over the last 48 hours, we have started hearing rumours, and they are getting more and more specific, about an outline agreement on the fundamental question of the British contribution and on the fixing of farm prices.

Mr De Keersmaeker, speaking for the Council, has just shed a little light on a compromise, an outline agreement, which the Ministers apparently reached in Brussels on Tuesday and which will be presented, and rubber-stamped no doubt, at a special Council meeting in Luxembourg on 3 April. This outline agreement was apparently worked out after President Tindemans and President Thorn went on a mission to the various Member States. We are sorry that the Commission has not seen fit to tell Parliament about such an important matter.

Junot

And how come, Mr Thorn? Here we have a miracle. After months of deadlock and fruitless efforts, here is a compromise out of the blue — and one, we gather, that all the national delegations would have been pleased about. Yet this morning, when you were officially celebrating the 25th anniversary of the Treaty of Rome — that treaty that you and Mr Tindemans, in your very elevated speeches, said was being seriously compromised by the mandate of 30 May — you said nothing, you made almost no allusion to this vital change! We had to wait until tonight, until Mr Hopper, after all the work he has done with his usual skill, had dealt with his report, for something to be said. And something that only scratched the surface too.

If there really is something new, such a spectacular change, what is this debate for? Would it not have been better to put it off until after 3 April? Our colleague Mr Delatte has just made some specific remarks about the serious oversights that stopped the debate on the mandate of 30 May being as worthwhile as it could have been. But all the data have been overturned. What are we talking about? The Hopper report was written in a period of crisis and failure and now they are telling us that we are in an ideal situation with an agreement all ready to be concluded, and for five years too. The plain fact of the matter, Mr President, if I may say so, is that we know nothing about it. And if we have to get most of our information from press communiqués, this apparently being the only place we can get hold of one or two details, what can we say to the AFP release? Only a few minutes ago, AFP reported that François Mitterand, the French President, made a declaration this morning after the Council of Ministers, categorically denying that France had given or was ready to give its agreement to a compromise of this kind. So, Mr President, just now we were told that the national delegations had agreed and that the results of the 3 April meeting could be taken as read, but now, out of the blue, here we have the French Government denying it all.

Mr President of the Commission, to preserve its own dignity, this House has to perform the task democratically entrusted to it by the people of Europe. We, the European MPs, have to be told the facts, as a matter of priority. So there are two questions I should like to ask — and you know, Mr Thorn, just where my personal sympathy lies, but this is a question of principle. Is there an outline agreement? Yes or no? Just what does it involve? What are the consequences, particularly on the budget? For let me tell you that we are worried. We who have always denounced the harmful nature of this 30 May mandate are worried to see such a sudden agreement. We cannot help wondering who is bearing the brunt and what the consequences are. You know full well that there are a certain number of sacrifices that we will not make and that, in any case, we cannot agree to being presented with a *fait accompli*.

President. — I call Mr Didò.

Mr Didò. — (IT) Mr President, next week's meeting of the European Council takes on particular importance in the light of the enormous political, economic and social problems confronting the Community Member States.

It is unlikely that the Council will discuss the problem of the British contribution because there seems to be a possibility that some governments will withdraw from their positions, despite rumours to the contrary. We do not know whether this compromise will in fact lead to an agreement which would allow serious discussion of the other items on the agenda of the mandate of 30 May, namely adjustment of the agricultural policy and the solution of the price problem which, on the contrary, seems likely to be blocked, restructuring of the budget and the development of new Community policies. These matters are all closely linked with the strengthening and completion of the European Monetary System for the relaunching of Europe which is becoming increasingly urgent.

The compromise on the British contribution — to which I must say we are totally opposed because of the danger that the just return will become an established principle — makes it extremely important to bring forward structural policies capable of achieving the convergence of the economies of the Member States which alone will allow balanced development of the Community as a whole, to the advantage of all the Member States.

In this way, other countries besides Britain will also be able to get greater return for their contribution to the Community budget. I am thinking in particular of the Federal Republic of Germany which could find its individual interests coinciding with Community interests in a common energy policy involving the use of Community coal.

Mr President, I shall not dwell any further on these points which have already been dealt with by my colleagues. I should like to consider instead the enormous problem facing all the Member States, namely growing unemployment. The Council must take action to ensure the adoption of urgent, practical measures, having regard to the proposals put forward by the Commission and by Parliament which has discussed this subject on several occasions.

I believe that over and above the proposals for coordination of the monetary policies through completion of the European Monetary System, new investment and the development of new common policies, particularly in the field of energy research and certain advanced sectors of industry, new measures and new instruments are essential to combat unemployment and create full employment.

I am supported in this by the opinion adopted almost unanimously by the Committee on Social Affairs and Employment, which I hope will be incorporated, with

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appropriate amendments, into the Hopper resolution, without waiting for the more detailed discussion of the mandate which is apparently to be held next May.

We are all aware that unemployment has now become structural because of the new international division of labour and the industrial revolution which is replacing men by machines and bringing new investment without any corresponding increase in jobs but rather, in many cases, a substantial reduction in employment. It is therefore essential to introduce instruments for job creation, particularly in the vast field offered by public and private needs.

The Committee on Social Affairs has proposed that a network of employment agencies should be set up at regional level in conjunction with a strengthened and reformed European Social Fund, in order to promote integrated training programmes. This would mean that the vast sums spent on subsidizing unemployment could be used instead to guarantee employment for all those who seek it, particularly young people.

I realize that I have introduced a very specific subject — in what has mainly been a general debate — which could also be dealt with at other sittings of Parliament, but I am convinced, as is my group, that there is no time to lose and that both the Council and the Commission must take immediate action based on the proposals I have just mentioned, which are set out in the opinion of the committee concerned with employment.

Finally, we have tabled some amendments to this effect but I would ask Parliament's services to correct an error in the presentation of Amendment No 6 in certain languages where the wrong names have been given. This must be remedied to avoid confusion.

President. — I call Mr Herman.

Mr Herman. — (*FR*) Mr President, honourable Members, I shall confine myself to saying what we approve of and what we disapprove of in the Hopper report. We approve of the idea of urging the Commission and the Council to take decisions. We approve, above all, of paragraph 10 which involves separating the problems and moving on whenever there is agreement on some of the things without waiting for agreement on it all. We think that the sort of blackmail that consists of saying that we won't agree with anything if we can't agree with it all makes it impossible to make any headway in negotiations. To take a historical comparison, it is rather like pointing a gun at the heart of Europe and saying: 'Give me my money back, otherwise I won't agree with anything'. This is an intolerable attitude and no European leader should ever adopt it.

We agree — and as far as my party is concerned, it is something of a sacrifice, believe me — with Sir Henry

Plumb's amendment whereby the increase in agricultural spending should not be any greater than the increase in own resources and that it should be restricted in this way so that other policies can be financed. You must believe me when I say that this concession is a very real sacrifice for us. However, we can in no way agree with paragraphs 11 and 12. We think that, as far as the British contribution is concerned, the notion of own resources, which is a basic thing without which the role of Parliament is meaningless, is incompatible with the idea of net contributions and that the answer to the problem is not to be found in fair returns. Own resources are not national funds.

Although difficult and unacceptable situations do exist — and we realize that the United Kingdom is facing one — let us do something about them and try and find financial machinery to help. But for heaven's sake let us leave what is fundamental to the creation of European political unity alone. And not just a European policy, but a European budget, over which this Parliament has some influence. We have to keep the idea of European own resources which are not national resources. It is wrong to muddle the problem of justice and fairness up with the establishment of a tax base which is European, not national.

As far as the reform of the common agricultural policy is concerned, we think that a certain amount of rebalancing is called for. And we are in favour of any measure which will eliminate surpluses and, above all, encourage the exploitation of the full potential of European agriculture. There are some needs that are still to be satisfied. We are still importing a lot of agricultural products when we could well supply them ourselves, and at cost prices that would be competitive on the world market, provided an effort is made to adapt and to carry out the relevant agronomical research. We can produce some agricultural products that are the subject of speculation, things that were not a good proposition 10 or 15 years ago but are now. It is along these lines that we must adapt the common agricultural policy and do away with surpluses.

I shall conclude, Mr President, with a remark of a tactical nature — and I am speaking to the Council here. Since you have made the wise decision not to get the European Council to settle this difficult problem — as we know from experience that the European Council is not the place for mediating on any differences that crop up in the Council of Ministers — you have reserved it for the Council of Ministers' meeting on 3 April. I should like to make a suggestion here, and that is that the Council should hold a conclave where no one leaves until a solution is found. This avoids all the interference that the Council often uses as an excuse for not taking decisions.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, the subject of prices debated in the morning session is directly connected with the more general problem of the CAP and its modification within the framework of the mandate of 30 May.

Just what the CAP is, was learned by the Greek farmers, and more generally by the Greek people, in the one year that we have been in the EEC, and we have also seen it today. The Commission proposes prices whose result would be a 15% reduction in the incomes of Greek farmers. It proposes co-responsibilities and production quotas that will accelerate the ruin of our small and medium-sized producers. Of course, within the framework of the mandate of 30 May there is some mention of modifying the CAP. However, the adaptations in question are likely to make things worse, since they are based on reducing CAP contributions, and their basic characteristic will be the attempt to adapt the CAP, at a time of crisis, in a way that will bring about the downfall of the small and medium-sized concerns. On the other hand, all the discussions concerning the mandate show that in general the reorganization of the common policies are at an impasse. However, we ought to admit that this whole business of the mandate of 30 May has offered a lot to the European Community. It has given the Community the possibility, with various promises to the Greek producers to support Mediterranean products and to British workmen that the British contribution to the budget will be reduced, of moderating the reactions of working people against policies of the Community that are so much in favour of the monopolies. Here, however, we must unfortunately emphasize that even certain quarters in our own country, we believe sincerely, are taken in by such self-delusions and misapprehensions, in other words, that within the framework of a mandate it would be possible to improve the conditions of Greece's accession. This is directly related to the conflict, the contrast between north and south and the attempt for Greece, within the framework of a common struggle on behalf of the south, supposedly to be able to solve her problems. To be sure, we have many problems in common with the south, but we have serious reservations whether this is the basic antithesis that will be able to solve the problems of the workers in Greece.

President. — I call Mr Pasmazoglou.

Mr Pasmazoglou. — (GR) Mr President, today is a great anniversary for all the people of Europe. It is, however, a particularly great anniversary for the people of Greece. It is an anniversary marking sacrifices and struggles for the independence of the Greek people, and I would like to point this out to the House. I also want, today, to express the conviction, which I believe is shared by the majority of the Greek people, that the reorganization and of the European Community constitutes the precondition for the fur-

therance of progress and the security of all the European peoples. That is why the matters we debated yesterday and today, and particularly this evening, are of such decisive importance.

In connection with all the problems of the mandate of 30 May, I wish to make the following three comments:

The first is that the particular matters touched upon by the Hopper report relate to the energization of the European Community, and this means making it more effective all over the territories of Europe, and I emphasize the special problems concerned, namely the revision of the budget, the definition of new aims envisaging an increase of resources beyond the 1% of the value-added tax, and at the same time the support of regional development with special planning for Mediterranean development in which, obviously, Italy and especially Greece are particularly interested. Within the framework of those general aims I hope that the adjustment recently announced by the President of the Council of Ministers in connection with the British problem will in fact solve this problem without, I repeat, and as many colleagues have said, contravening the principles and aims of the Treaty of Rome and the functions of the Community. This is a paramount matter and I want to emphasize that the regional policy and the plans for Mediterranean development are in harmony with the development of the Community as a whole. However, energization in accordance with the mandate of 30 May is also connected with other major problems of the Community.

A further point is European political cooperation. This must be promoted, and this requires persistence and consistency, to lend credibility to all the expressions of European political cooperation in the eyes of the rest of the world. In connection with this very important matter I would like to ask the President of the Council of Ministers to take note that for such a European political cooperation to exist, due attention should be given to the more general problems of the peoples making up the Community, and on this point I am obliged to say that some problems of exceptional importance for the security of the Greek people are regarded with peculiar indifference within the framework of European political cooperation. I refer particularly — and I emphasize this deliberately and with a sense of responsibility — to the threats arising from Turkey, which affect rights based on international treaties and agreements, and which have been exercised for decades by the Greek people. I also note that the European Community and the European Parliament, which condemn the illegitimate seizure of foreign territory by foreign powers, as they did repeatedly and rightly in the case of Afghanistan, have uttered no protest at all at what is happening in Cyprus which, since 1974, has been subject to a prolonged military occupation that constitutes a most serious defiance of international law. I think that these matters, which are of the liveliest interest to one part of the Community, cannot be ignored or treated in a

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passive way and I am obliged to ask the President of the Council of Ministers to include them for consideration in the framework of European political cooperation.

My last topic, Mr President, concerns the role of the European Parliament. If this energization of the Community is to be successful, if the message of the people is to be conveyed to the Community and vice versa concerning the importance of the EEC, then the role of the European Parliament will have to be enlarged. It is unacceptable for matters as significant as those mentioned by the President-in-Office of the Council of Ministers, for example the matter of Britain's contribution, not to come to the notice of the European Parliament and not to be included among its competences. Thus, I believe that one of the main aims is a modification of the statutes to allow the Community to function on the principle of the majority vote, as was originally envisaged, and I believe that the mandate of 30 May 1980 will also be applied within the framework of a general energization of the EEC.

President. — I call the Commission.

Mr Thorn, President of the Commission. — (FR) Mr President, ladies and gentlemen, I think, bearing in mind the attendance, that it is perhaps better to reply to the essential things and maybe leave aside certain of the remarks made by speakers who have already left. However, on behalf of the Commission, I should like to tell the rapporteur how grateful we are for the very thorough work he has put in, with, as some other speakers have already said, his usual skill. As far as basics are concerned, there is no difference of opinion between him and the Commission. We shall have the opportunity to discuss this more thoroughly in a few weeks' time with, let us hope, a final conclusion to this process that has lasted far too long already.

Mr President, the House was right to want to give its opinion before the European Council met to discuss what, only a few weeks ago, looked as though it might be the last chance to settle all the questions linked to the mandate of 30 May — and, let us not forget, 30 May 1980, by no means yesterday. But things have gone better in the Council and this means we can think — not conclude or be sure, but hope and no more than hope — that there could be a decision at the Council itself on 3 April, in which case the European Council would not have to take up the matter again. Will it or won't it? I do not think that the President-in-Office of the Council — he will put his case far better than I can — said anything else. We have a certain amount of extra hope since the last meeting, but we have nothing definite at all. I think it was that the French President was referring to today when he said that there had been no agreement. And that is what I mean too.

However, I am doubly pleased at the way things have developed. First because it has come after a long period of disappointment. And second — and this is the most important thing — because it is a good thing for the big Community problems to be settled as you have just asked, ladies and gentlemen, by the institutions that are responsible for it, by the European Parliament, the Council and the Commission, that is to say, and for the European Council to keep, as Mr Herman said, to its rightful role as a coordinator, a political stimulus at the highest level, which does not interfere with the everyday running of the institutions but says: "Here are the priority problems for the coming months." So the European Council of 29 and 30 March will not have to discuss the mandate; at least I hope it won't, or, more important, the subsidiary matter — apart, perhaps, from any declaration by one or other of its members, as is already being suggested. So it could — and we hope it does — concentrate on the major problems facing our countries. And it is high time it did, particularly when it comes to the problems of unemployment, of the relaunching of Europe, of employment and of the position to be taken up in what is a particularly difficult international economic situation.

At the same time, your debate, ladies and gentlemen, is an opportunity for Parliament to let the Council — which is, with the Commission, its usual contact — know what it wants and what it demands, on the basis of the Hopper report.

Let me remind you first of all about the meaning of the mandate with which we have been entrusted, for I get the impression that sometimes there is a certain amount of ambiguity and misunderstanding about it. At the start, the main concern was a financial one, that is to say, with finding an answer to the budget problem that one of our members posed at the time — although today there are two with this problem. The resolution of 30 May 1980 had already broadened the scope by mentioning that there might be a need to revise or change common policies in the light of the basic principles. That was the development.

Then the Commission and none but the Commission — and I hope this will ultimately be clear — gave things a further dimension by switching the terms of the argument and suggesting a more ambitious medium-term plan for Europe to the Council and Parliament. It wanted to relaunch the Community, that is to say, update the existing common policies, restructure and reform them where necessary (above all the common agricultural policy which was in any case under discussion) and give the Community the sort of financial instruments that were right for its ambitions. Lastly, and above all, it wanted to give a new dimension to common policies that were still hesitant but would have to meet the challenge of the coming decades — the energy policy, the industrial policy and the research and development policy — thinking that, if these new policies were added to the existing ones,

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then a new balance could ultimately be struck in the Community. So the immediate solution to the British problem was set against a much larger political background and, in the longer term, the extension and diversification of Community policies suggested that the British budgetary problem, and any other problems, would gradually decrease in size, if not disappear altogether. This is what we hope will happen. This is what we are aiming for.

And that, ladies and gentlemen, was why there were three different sections in the mandate. They were not put there to satisfy any desire to link the three things artificially. I understand your impatience at the slowness of the procedure and the absence of decisions. No one could understand more. In view of the time taken by the European Councils, the Council of Ministers and the other official and unofficial Councils, the Commission, more than any other institution, is anxious to move on to the serious work, whereas it is being held up by the Council's failure to come to a decision. It has never waited for the Council's final decision before taking the initiative. As you should know, we are enthusiastically working on our research policy, on our energy policy, on the EMS, to name but a few, and recently a certain amount of fragile progress has been made. Our proposals on farm prices reflect the alterations we want to make to the common agricultural policy, but we know, and the politicians in this Parliament know, that progress will be slower and difficult until the problem of the British contribution to the budget has been solved in a lasting manner.

So let us be realistic. We have to find an answer in the end. I have been talking about it for 10 years myself. I talk about it after every European Council. I have been doing this since 1970, as that was the date we started negotiating and started talking about a solution that might be unacceptable. The European Council of Lancaster House last November proved that the Heads of State or Government in our countries approved of the strategy the Commission was proposing — no more than that — and intended to apply it, without knowing exactly how. But developments have since seemed to give the lie to this. There were three meetings of the Foreign Ministers in a row and, although they made it possible to take better stock of the problems and difficulties and investigate solutions, any decision was put off, to the point where, although people claim to be taking a step backwards to get a better view of things, they can't see through the haze. Is this mistaken procedure or institutional diversion?

Let me tell you that these meetings of the Foreign Ministers, where they worked on Commission reports and proposals and Commission representatives played a full part (the President and his Vice-President, my colleague Mr Ortoli, were there and the Commission and Council secretariats were represented too), were exactly like Councils and stuck to the framework set out beforehand. So there was no distortion. I say this to certain Members who are particularly concerned

with this. What the Heads of Government wanted when they adopted this seemingly peculiar procedure was to keep the discussion going at political level — do I need to say that to such experienced politicians as you? — that is to say at ministerial level alone and not to follow the ritual of our usual Councils and send the dossiers back to the committees of permanent representatives. Although I am not disputing the enormous merits of these extremely competent top officials. Since last Tuesday, everything has come to Community order. And it is the Council which considered things formally. And the Council, as such, will consider things again on 3 April. I hope that the institutional fears that some Members of this House have expressed will be allayed — although the results are by no means guaranteed.

We still had to fight the temptation to have experts intervene between these two meetings. Without the strength of purpose of President Tindemans — and, I should say, just to keep the records straight, the President of the Commission — the dossier would have fallen into the experts' hands.

After the Tuesday Council, on the eve of the Luxembourg Council, what, Mr Junot wants to know, is the situation and what are the prospects like? Well, Mr President, there is, on the Council table, a joint proposal by the President of the Commission and the President of the Council whereby practical shape could be given to an agreement on the compensation due or offered to the United Kingdom. Ladies and gentlemen, there is nothing you don't know about. There is nothing revolutionary about this! To Mr Junot I would say that there was nothing to tell you, because it falls within the mandate and the proposals that you know about and, for months, as often happens in the Community, it was a question of not wanting to know and now people are ready. What is new is the unblocking of the situation at Council level. It is not the proposal that was made. That is what I wanted to tell you. There has been no miracle. Unless you call the Council listening to reason one day a miracle.

This proposal we made as part of our proposals and of the mandate was considered to be a basis for negotiation — I am speaking here on the authority of the President of the Council — that was or appeared to be acceptable to everyone, although almost no one accepted it at that stage. The ministers said it was very interesting. They went so far as to say they were favourably disposed. And then they said they were going to refer to their governments and this might be a way out. So what are we doing today? Well, I tell you, honourable Members, we are using the Coué method. Sometimes we are optimistic because we have the impression there is a breach, a vacuum, and that because Europe needs it, we have to rush into the breach, hoping that the national delegations are following behind us. If we cannot show confidence in our proposals, if we do not believe in the solution, do you really imagine that we will get spontaneous unanimity?

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You know as well as I do that this will not be the case. So I hope that the intentions, which are apparently more favourable, survive until 3 April so that budgetary peace can reign in the Community once more and that we can all pull together and tackle the real problems and the real challenges facing the Community. Basically, I should say, we have taken a step forward, but the ground that has to be covered if you are not to be disappointed is full of pitfalls. We shall need the help of you all and the pressure that each of you can bring to bear on public opinion and the governments if progress is to be made. I wish to remain clear, I wish to remain lucid and I do not wish to be taken in by certain outmoded recipes.

If the result of 3 April is a good one, I think most of the hopes and desires set out in the draft resolution based on the report of your colleague, Mr Hopper, will have been satisfied. I should like to say, at the outset, that I very much agree with his proposals. How could I not associate myself with statements about the global nature of the approach, the development of structural policies in the Community and the need to make substantial progress towards the convergence of our economies and the development of the EMS? I shall stop there. I do not wish to bore you with a list of points on which Parliament and the Commission do not disagree.

I should now like to spend a little time on two or three points in the resolution which seem to me to be worth commenting on.

First, questions to do with the common agricultural policy. Compared to the guidelines the Commission proposed last October, the points still outstanding are minor ones, bearing in mind the agreements that have already been reached. What remains to be done is on the Agricultural Council table. That Council will be discussing these things on the basis of Commission proposals formulated with the strictest respect for the basic guidelines. I think that, when there are guidelines, you have to avoid interminable discussions every year that are aimed at changing the basic principles.

The Agricultural Council's discussions and decisions on prices for 1982-83 give rise to two particularly important problems. First, will their adoption be hampered by the absence of any definitive agreements on the budgetary aspects of the mandate? The Commission, I have to say as clearly and as firmly as I can, cannot agree to the former being subordinated to the latter. Every dossier has to be examined and decided on its own merits. Our Community cannot go on living in a permanent framework of intergovernmental negotiations where one dossier is tied up with another. Our Community is an ordinary Community where each dossier is judged on its own merits. Telescoping them is very serious and could block progress in the Community. I say this for the benefit and in the interests of all the governments. And I mean all.

In a Community that wants to be full of life and solidarity, there are no such things as hostages. We should all realize this and act accordingly. The second problem is will the Council be able to give practical shape to the stated aim — to make the necessary amendments to the CAP?

Ladies and gentlemen, we have been discussing the criteria of the common agricultural policy at government level for so long that they must not be allowed to remain in suspense, like the British problem with the contribution, after 12 whole years. We are trying to find an answer to the British problem, so let us use this opportunity to look at certain aspects of the common agricultural policy. Let us try and reform things if we think they need reforming. And once the reform is complete, let the governments and Parliament and the Commission get on with the job and stop talking about the common agricultural policy every five minutes! If the development of other policies is to be credible, this time we have to show that the Community really can implement policies that are in line with the principles and criteria that it has said it has. If there is no control over agricultural spending — you said so this afternoon and you discussed it — and no respect for the legitimate protection of the farmers' incomes, then the Community's ability to develop other policies will also be threatened. This is the spirit in which the Commission made its proposals on farm prices.

Now, paragraph 12 of your resolution mentions a piece of financial machinery that is better adapted to the relative wealth of the different Member States. At this point, I should like to confirm what I have had the honour and opportunity to say to you already.

First, the prime aim of the Community budget is not to redistribute the resources among the different members — and I say this particularly for the honourable Greek spokesman for the Socialist Group — but to finance common policies that are in the interest of the Community as a whole. Ladies and gentlemen, let us make no mistake about the aim of this Community. If the Community was nothing more than one that changed cheques and redistributed resources, then the interest in it would wane considerably. You, our political leaders, will certainly understand this argument — or I hope you will at least. That is not to say that it does not matter where the money goes. What it means is that transfers to the poorest countries must be the result of policies that are common to all Ten. Not the other way round. Then the only budget problem the Community has, the United Kingdom's problem, must remain. That is what we think. But the cause of this problem is the inadequacy of Community budget spending in this country.

So, changing the system of contributions would not make any substantial difference to the size and nature of the British problem. Beware of another pitfall here. Lastly, I should like to say that the Commission is very willing to discuss Parliament's ideas here and take

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them further, once the Community gets more own resources. I heard someone say just now that we should not have responded to the mandate before breaking through the 1% ceiling. But, ladies and gentlemen, think for a moment about the discussion we have had today. This really would be blocking at all costs. I think that we all have a duty to fulfil our obligations in the present framework. Once we have reached the threshold, we shall exceed the ceiling. You have the Commission's assurance that, as we get nearer this point, we shall ask for new own resources, but, meanwhile, let us go on doing our duty, as we should all wish.

Point 15 of your resolution regrets that the Commission has made no clear statement about the budget questions and the implications of enlargement. Here, ladies and gentlemen, I feel it is premature, really premature in fact, to start making budget estimates that can only be random and flimsy as things stand, with the big changes to the CAP you have discussed today and the development of other policies. Who would dare to say what the overall costs of enlargement might be in a situation of uncertainty about the common agricultural policy and some of the Mediterranean products? Do you realize just how counter-productive it could be to announce the cost and to include it in the negotiations at this stage? So I shall only give you my very first impressions that are based on what is still only fragmentary information.

A Community of twelve will not have enough with the own resources that are available now. We know this, you know this, we all know. It is also unlikely that the next enlargement will provoke the general question of the financial machinery and the expenditure of the Community budget. And lastly, the elements of information we do have suggest that it is unlikely that either of the two applicant countries will not get a net profit from the Community budget. I think that is the answer you wanted.

Mr President, we have worked for a long time and the end is perhaps in sight. I dare not say more. I am counting on a positive conclusion from the Council of 3 April and, on this assumption, with gentle optimism, the Community would have the stimulus it needs and the political guidelines that should enable it to make significant progress on a broad front. It should be able to respond to the economic crisis, extend monetary integration, boost our solidarity and develop structural policies. The patience and obstinacy that some people in this House have accused me of will get their reward. Since the beginning of its mandate, the Commission has had one idea — to consolidate the Community and return its driving force by reviving the essential unity. I should ask the honourable Members not to forget that the Commission, the guardian of our Treaties, has made it its top priority to unite the Member States, not divide them. This makes continuing effort and unusual procedural solutions worthwhile. Imagination was certainly called for! Some people believed,

and I understand their point of view, that we submit to the Council too much. Ladies and gentlemen, events in the coming weeks and months will enable us to judge this calmly. I personally am very unworried about it. I should now like to ask you the following questions:

Is it lacking courage to tirelessly take Commission initiative by presenting proposals for action day after day and week after week on the whole field of Community activity? Is it lacking courage to maintain before the Council the sort of position that respects the essential principles of the Community and accuses some, if not all, the Member States? Is it submitting to the Council to propose solutions to it that are so ambitious that it finds itself torn between contradictory moves?

I think the European Parliament should make no mistake over its contacts and its adversaries. If things were blocked, it was because of the Member States in the Council and, particularly, because of the latter's inadequate powers of decision. This is what we have to do something about. But we won't do it by just altering the rules of procedure here and there. We must all make public opinion our ally in the different countries and show the national governments and the European electorate just what challenges the Community can take up. We have to say this in Brussels and in Luxembourg and in Strasbourg. And we also have to say it in all the countries, in all the national parliaments and to public opinion everywhere. For the representatives of public opinion are you, ladies and gentlemen. Since you have been elected by universal suffrage and not on the second ballot, you have been responsible for public opinion. You should be mobilizing public opinion in each of your countries. You should be exerting pressure. Not just on us here, but on your national governments. It is by getting public opinion moving that we will make the people enthusiastic about Europe again and revive the friendship that justified the creation of our Community 25 years ago.

(Applause)

President. — I call the Council.

Mr De Keersmaecker, President-in-Office of the Council. — *(FR)* Mr President, Mr President of the Commission, ladies and gentlemen, on the subject of the questions that have been asked about the projected compromise, as it is called, which will be discussed on 3 April, I should like to echo most of what the President of the Commission has said. I shall restrict what I have to say to answering the questions put to me as President-in-Office of the Council.

Some people have talked about procedure and the meaning of the meeting of 3 April. I do not need to reply to this because Mr Tindemans, who will be running the debate, will so do, but I have to say — to Mr Herman among others, and I am sorry he has gone,

De Keersmaecker

for he suggested we should hold a conclave meeting — that the Council, acting on a proposal from the presidency and in agreement with the Commission, has decided that the subject will be dealt with at the highest level and that the dossier will not be sent to Coreper. What is the meaning of this? Well, it means that the Council wants to try and find a solution in the short term. This is the meaning of the procedure which has been suggested and I think it is a good thing. That is the main thing I have to say to the question that several Members of this House, and particularly Mr Herman, asked me.

A number of Members drew attention to the risk involved in linking all the subjects and tying together all the dossiers covered by the mandate. When I dealt with farm price fixing, I said very clearly that I would regret certain links being forged here. And I would regret it if links were made within the mandate. Those people who heard what I said about the four questions on which agreement was not reached, and thought there was no agreement overall if there was disagreement over the detail, should not conclude that this is what I think. I said what had happened, but I also said that an agreement was emerging, more than that even, on two of the subjects, that four questions were still outstanding and that a provisional agreement had been reached on one thing, the Mediterranean products. And that a gradual consensus had emerged on two other points, the budget question having been blocked until only a few days ago.

So that is how things stand. I am reporting to this House, but do not conclude from it that there has to be a link between all these questions. I think it is better to express ourselves clearly and recognize that this sort of thing makes it even more difficult for the people who are leading the debate.

(NL) Mr President, various questions have also been asked about the content of the 'proposal', specifically by Mr Junot, but by other Members as well. I believe,

of course, that it would not have been right for us not to speak about the events of last Tuesday. We must report on this, and I have given a rough outline, as has the President of the Commission. But I cannot, of course, go into any greater detail. I cannot say more than Mr Tindemans, who chaired the discussions on Tuesday, has said. The Council has undertaken to continue its discussions on the subject by the procedure that has been outlined. I have, however, told you about the general tendency of the reactions, but I would ask you not to draw any further conclusions from this. I have said that all the delegations showed genuine interest in this proposal or rather this new approach, this plan for a solution or a possible solution. All we can say is that this denotes a major change from the previous situation of total standstill. That is what we can say today, and I have even warned against excessive optimism, for which there are still no grounds. I feel that should be said.

This does not alter the fact that there has been a change in the situation and that we can regard it with more optimism, because there is indeed an opening, but no more than that. I agree, Mr Thörn, with what you said about the quality of Mr Hopper's report. I understand what the European Parliament wants with regard to the very important question of the mandate: it wants to make progress as quickly as possible and, as regards our approach to this matter and the procedure to be adopted, to do everything in our power to find a solution as soon as possible. And I can assure you that we shall do so, taking account of the possibilities that exist and of the realities, Mrs Scrivener — Mrs Scrivener is no longer here, but I believe this must be said — and also and above all of the fundamental principles of the European Community.

President. — The debate is closed.

The voting will be taken at the next voting time.

(The sitting was closed at 11.45 p.m.)¹

¹ Agenda for next sitting: see Minutes.

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IN THE CHAIR: MR DANKERT

President

(The sitting opened at 9 a.m.)¹

President. — I call Mr Hutton.

Mr Hutton. — Mr President, last night at nine o'clock I asked the occupant of your honourable seat if he could tell us this morning the reason why no Members

have received copies of the 'Rainbow' this week. Have you any information about that this morning?

President. — Yes, Mr Hutton, I am aware of the problem, and the Bureau has discussed it. The reason is a simple one. It was not possible to have the 'Rainbow' of yesterday's debates before this afternoon at approximately two or three o'clock. That would mean that the main part of the agricultural debate could not be available for the Members. The Bureau has therefore decided for practical reasons to produce the 'Rainbow' this time in Luxembourg, thus making a considerable economy.

Mr Hutton, you will have it next week.

¹ For approval of the minutes and membership of Parliament, see the Minutes of Proceedings of this sitting.

Mr Hutton. — Mr President, that does not explain why we have not had the previous day's 'Rainbow'. I wonder if you would be able to tell the House when the House approved this move of the printing to Luxembourg, when that decision was made and when the announcement was made to the House.

President. — Mr Hutton this is an organizational problem for the Bureau. The 'Rainbow' has not been suppressed but will be published. Wednesday's is nearly available, and yesterday's will be available next week. So there is no change, only an organizational problem.

1. Votes

President. — The next item comprises the votes on those motions for resolutions on which the debate has closed.¹

We begin with the Curry report on the fixing of agricultural prices (Doc. 1-30/82).

I call Mr Provan.

Mr Provan. — Mr President, may I withdraw all our group's amendments to the Commission proposals and also the one that is in my own name. I have given the numbers to your Secretariat.

President. — The amendments you indicate are withdrawn. We have the numbers.

I call Mr Bocklet.

Mr Bocklet. — (DE) I wish to make the same request regarding the amendments tabled under the names of Früh and Bocklet.

President. — I call Mr Dalsass.

Mr Dalsass. — (DE) Mr President, I withdraw one amendment — namely, Amendment No 232.

President. — I call Mr Enright.

Mr Enright. — Mr President, I would like to know which amendments have been withdrawn by the staff

as a result of its examination, that is, on being found to be improper amendments.

President. — Mr Enright, there are no amendments that fall within the category you mentioned.

Mr Enright. — Mr President, I simply do not believe you.

(Laughter)

President. — I call Mr Cohen.

Mr Cohen. — (NL) Mr President, I wish to withdraw Amendment No 256 in favour of Amendment No 302.

President. — I thank all those who have withdrawn amendments. I must, however, for the sake of clarity ask those who have done so to indicate the fact when the amendments concerned come up for voting.

Draft regulation No 1, Article 1: Amendment No 78

Mr Curry, rapporteur. — I am obliged to advise the House to vote against all amendments to the regulation and to vote against the regulation itself.

(...)

After the rejection of Amendment No 78

President. — Mr Curry, do you feel that we have to vote on all the proposals for regulations, one by one?

Mr Curry, rapporteur. — I would have thought not, Mr President, unless Mr Kirk is willing to withdraw the first one as a sample and to withdraw the remainder in consequence.

President. — Can we then agree on that? The point is that formally, according to the Rules of Procedure, we would have to vote regulation by regulation. If one Member asks for a vote, then that must be accepted, but we could agree that unless a vote is requested, no vote is taken. Otherwise, we shall have 64 extra votes that we need to have.

I call Mr Kirk.

Mr Kirk. — (DA) Mr President, I will withdraw my amendments under protest. Parliament has a Rule of Procedure which states clearly that we must vote on Commission proposals for Council regulations. We try to take our work seriously, or at least I have, in tabling

¹ The report of proceedings reproduces only those stages in the voting which gave rise to speeches from the floor. For further details, see the Minutes.

Kirk

my amendments to the proposed Council regulation. But I have to note that there are a number of groups and Members of Parliament who do not want to do their job and are now willing to vote against all amendments, even if they are perhaps in support of the amendments in question; at the same time, they want to vote against the Commission's proposal for a Council regulation.

I fully understand the tactical manoeuvre which is being effected. Therefore I withdraw my amendments, because I do not want to be implicated in any waste of Parliament's time, since it is a hopeless quest. But I think that these are unreasonable conditions under which to work, since we have a clear duty to deliver an opinion on a Council regulation.

President. — We have voted on Amendment No 78 to the draft regulation, and the amendment has been rejected. I understand that Mr Kirk now wants us to vote on the regulation. That is not the case.

I call Mr Kirk.

Mr Kirk. — (DA) Mr President, I have informed you that I am withdrawing all my amendments to the Commission's proposal for a Council regulation. I do not want us to vote on each individual regulation, since I get the impression that Parliament intends to reject them all. I feel therefore that, if we can vote on the Commission's proposal for a Council regulation as a whole — not article by article, but the proposal in its entirety — we could save a lot of Parliament's time.

President. — I call Mr Dalsass.

Mr Dalsass. — (DE) Mr President, if I understand you correctly, you are putting all the regulations to the vote. I wanted to say just one thing, because we have been accused of not liking work. We feel we must vote against all the regulations so as not to go against the motion for a resolution.

President. — I appreciate your point, but this is not the moment for explanations of vote. We are about to vote on the regulations as a whole and not on each one separately.

(Parliament rejected the Commission's proposals)

Mr Dalsager, pursuant to Rule 35 of the Rules of Procedure, I have to ask you if you intend to withdraw your proposals.

Mr Dalsager, Member of the Commission. — (DA) Mr President, after the debate we have had during the past few days, I wish to maintain my proposal.

President. — We proceed to the motion for a resolution.

I call Mr von der Vring.

Mr von der Vring. — (DE) Now that the Commission has stated that it does not agree with Parliament's decision, I would request that we vote on whether we are to send our motion for a resolution back to the Committee on Agriculture.

President. — Mr von der Vring, am I to understand that you are making a formal proposal to send the motion for a resolution back to committee?

Mr von der Vring. — (DE) Yes.

(Parliament rejected this proposal)

(...)

After the third indent: Amendments Nos 163 and 164

Mr Curry, rapporteur. — No 163 was the rapporteur's original text and was rejected in committee, Mr President. No 164 was not discussed in committee, but the tenor of the Committee on Agriculture's discussion would make me suggest that it would be hostile to it.

(...)

Seventh indent: Amendments Nos 165 and 313

Mr Curry, rapporteur. — I leave the first one to the wisdom of the House, and the second one I do not think the Committee on Agriculture would have liked.

(...)

After the eight indent: Amendment No 125

Mr Curry, rapporteur. — I think it is in the spirit of the Committee, though it is expressed in somewhat exaggerated language.

(...)

Ninth indent: Amendments Nos 296/rev., 166 and 254

Mr Curry, rapporteur. — I leave all three to the House.

(...)

After the ninth indent: Amendment No 255

Mr Curry, rapporteur. — It follows from his previous

Curry

one, and I leave that also to the House.

(...)

Fourteenth indent: Amendment Nos 152 and 299/rev.

Mr Curry, rapporteur. — Mr Adonnino has explained to me, Mr President, that Amendment 152 is here because the text is not factually accurate and that the resolution to which it refers did not bear his name. I am obliged to accept his statement on that point.

As for Mr Woltjer's, I would prefer the original if by that time the paragraph is still there.

(...)

Fifteenth indent: Amendment No 300

Mr Curry, rapporteur. — I do not see how this can still stand, Mr President, given the fact that the Parliament has already voted to reject the reference to the Plumb report earlier on in its voting.

President. — Does Mr Woltjer agree to withdraw the amendment?

Mr Woltjer. — (NL) Yes.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) What the rapporteur has just said surely cannot be meant seriously. It surely cannot be said that Parliament has referred the Plumb report to committee! It does not matter if the budgetary experts in the other group, the Christian Democrats, do not want to stand by their earlier decisions, but I should like to see them rejecting the Plumb report in the vote!

(...)

After the fifteenth indent: Amendment No 169

Mr Curry, rapporteur. — I leave it to the House.

(...)

Sixteenth indent: Amendments Nos 301 and 170

Mr Curry, rapporteur. — I leave Mr Woltjer's amendment to the House. I think the committee would not like Mr Hord's.

(...)

After the last indent of the preamble: Amendments Nos 52, 53, 94, 276 and 325/corr.

Mr Curry, rapporteur. — No 52 is unnecessary; I think the committee would like No 53. I am against No 276. No 94 was rejected in committee, and I leave No 325 to the House.

(...)

Paragraphs 1 to 11: Amendment No 35

Mr Curry, rapporteur. — To save you time on the prices, Mr President, I am obliged to advise the House to reject any resolutions which do not contain a specific figure, and of those that do I am obliged to follow the Committee on Agriculture in recommending 14%.

(...)

After paragraph 1: Amendments Nos 1 and 2

Mr Curry, rapporteur. — These were not available for the committee to consider. I think they are helpful paragraphs, but I would not speak for the committee on that point.

(...)

After paragraph 3: Amendments Nos 128, 248 and 38

Mr Curry, rapporteur. — Nos 128 and 248 were both rejected in committee. I do not understand Mr Combe's and so I am against it.

(...)

Paragraph 6: Amendment No 349

Mr Curry, rapporteur. — I leave it to the House to decide.

(...)

Paragraph 7: Amendments Nos 10, 178 and 303

Mr Curry, rapporteur. — The committee would have been against Amendment No 10. The other two refer to the Plumb report, which we have now voted against twice. The committee itself did not vote on it.

(...)

Paragraph 8: Amendments Nos 350 and 180

Mr Curry, rapporteur. — I leave Mr Kyrkos's amendment to the House, but I think the committee would regard the original as better than Amendment No 180.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, I draw your attention to the fact that the documents we have received from the Bureau are not in the proper order from paragraph 8 on, so that we can no longer follow the voting properly.

President. — I call Mr Dalsass.

Mr Dalsass. — (DE) Mr President, I merely wish to ask whether he is the only one affected or others are as well, because everything is all right with us.

(Laughter)

President. — I call Mr Arndt.

Mr Arndt. — (DE) Whoever was keen enough to draw his documents yesterday found that they were not in the order of voting. Only those who waited till today before drawing them have them in the right order.

(Laughter)

President. — I call the rapporteur.

Mr Curry, rapporteur. — This was not discussed in the committee, but in discussions on related issues there has been a favourable inclination towards this principle.

(...)

Paragraph 9: Amendment No 308/rev.

Mr Curry, rapporteur. — We have already voted against something similar, and so did the committee.

(...)

Paragraph 10: Amendments Nos 257 and 181

Mr Curry, rapporteur. — The committee would not have liked Mr Cohen's amendment, and I leave Amendment No 181 to the House.

President. — I call Mr Gautier.

Mr Gautier. — (DE) I request, on behalf of the Socialist Group, a roll-call vote on Amendment No 181, because we are curious to see who votes against.

President. — May I ask Members to confine their requests for roll-call votes to the strict minimum, in view of the considerable expense that this entails?

(Applause)

I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, I think I must have misunderstood you. Did you say that we should go carefully on our requests for roll-call votes because that costs money? — When, as here with a COPA report, the entire lobby is voting to throw thousands of millions extra down the drain?

(Applause. Cries)

(...)

Paragraph 15: Amendment No 187

Mr Curry, rapporteur. — This was the rapporteur's text, which was defeated.

(...)

Paragraph 20: Amendments Nos 259, 280 and 56

Mr Curry, rapporteur. — Against the first two, and I leave the third one, Mr Eyraud's, to the House.

(...)

After Paragraph 21: Amendments Nos 190, 119 and 251

Mr Curry, rapporteur. — Against Amendment No 190; the committee voted for Amendment No 119 in a slightly different wording and against Amendment No 251.

(...)

After paragraph 27: Amendments Nos 106, 240, 332 and 344

Mr Curry, rapporteur. — I leave it to the wisdom of the House.

(...)

After paragraph 29: Amendments Nos 39, 328, 117 and 252

Mr Curry, rapporteur. — Amendment No 39 was rejected in committee; No 328 was not dealt with at all, so I will leave it to the House; No 117 was rejected in committee, and I leave No 252 to the House.

Curry

(...)

After the adoption of paragraph 29

President. — Before we proceed to paragraph 30, the controls indicate that we have overlooked an amendment — Amendment No 193, by Mr Seligman, relating to paragraph 23.

I call Mr Woltjer.

Mr Woltjer. — (NL) I fail to understand why the amendment occurs at this point. A similar text is to be found at paragraph 35, and that is where it should be put. It concerns cereal substitutes and has been put in the wrong section.

President. — I appreciate your point, but my difficulty is that Mr Seligman is proposing to insert a new paragraph 23A with this text. I therefore have to put it to the vote.

I call Mr Seligman.

Mr Seligman. — It was wrongly numbered, Mr President. It should be 83A. The report was changed.

President. — Then Mr Woltjer was perfectly right and the number was wrong. We shall therefore reinstate the amendment.

I call Mr Enright.

Mr Enright. — It would appear that this amendment does not even fit with 83. In other words, it was an amendment which, as I suggested this morning and earlier this week, should have been taken out because it not longer referred to the new report. You assured me this morning, Mr President, that in fact you had gone carefully through all the amendments and that you had withdrawn any that were no longer relevant. This is clearly not the case with Mr Seligman's amendment.

President. — Mr Enright, you are not completely right, for the simple reason that this is an amendment which adds a paragraph, so it creates no problems. That we are careful is indicated by the fact that it was renumbered.

(...)

(The sitting was suspended at 10.55 a.m. and resumed at 11.10 a.m.)

(...)

Paragraph 36: Amendment No 281

Mr Griffiths. — Mr President, earlier on Mr Seligman said that his amendment No 193, which was down as an amendment paragraph 23a, should have referred to paragraph 83a. Having looked at paragraph 83, I find it bears no relation to this amendment at all and it should have been called, as Mr Woltjer said, after paragraph 35.

President. — Mr Griffiths, if the Parliament is of the opinion that it is not in the right place, Parliament has the sovereign right to decide that the amendment should not be adopted because it is in the wrong place.

Mr Griffiths. — But Parliament did not decide, Mr President.

President. — But we still have to vote on it. So the question is completely open.

(...)

Paragraph 50: Amendments Nos 250, 205 and 320

Mr Curry, rapporteur. — I am against all three. Amendment No 205 is the rapporteur's original text, which was defeated.

(...)

After Paragraph 55: Amendments Nos 230, 334 and 135

Mr Curry, rapporteur. — No 230 comes from my former and happier life, Mr President, so we are against it. We are against the other two as well.

(...)

Paragraph 57: Amendment No 41

Mr Curry, rapporteur. — I leave it to the House.

(...)

Paragraph 59: Amendment 210

Mr Curry, rapporteur. — I leave it to the House.

(...)

After paragraph 61: After the vote on Amendment No 77

Mr Forth. — I do not want to make a big issue, Mr President, but I have just seen a recurrence of an event where one colleague voted for another who was not able to get to his seat in time. I hope you will remind

Forth

colleagues that the House does not approve of this, and could we please ask for it not to be done?

(Applause)

President. — You are perfectly entitled to put it that way, Mr Forth. Members are requested to sit and vote only in their own places. If another Member is in the bar, it is his responsibility and not that of his neighbour.

(...)

Paragraph 62

(Mr von der Vring requested a roll-call vote)

Mr Dalsass. — *(DE)* Mr President, I should like to know who the author of this request is, whether it is a Member or a group. Always it is only one Member who stands up, and we do not know whether he is speaking on behalf of his group.

President. — Mr Dalsass, it was quite clear that this was being done on behalf of a group. This one can see from here.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, if I ask for a roll-call vote, it is because we in Germany want to know how our Christian-Democratic colleagues are voting. Such a request is always backed by 21 Members. If Mr Dalsass wants to know how many there are, he can always ask for 21 Members to stand up.

(...)

After the adoption of paragraph 62

Mr Cottrell. — I wonder if you could state, Mr President, whether or not Mrs Maij-Weggen was actually in her seat during that vote, and whether or not the gentleman sitting beside her voted in her place?

President. — I see Mrs Maij-Weggen in her seat, and I do not recall whether she was there then or not.

Mr Cottrell. — Mr President, she was not in her seat: Mr McCartin voted for her.

(Protests)

President. — I call Mrs Maij-Weggen.

Mrs Maij-Weggen. — *(NL)* Mr President, what Mr Cottrell says is true. I was standing there and could not quite get through, because there is not much room, and I told my colleague Mr McCartin I was coming. But because you were already taking the vote, I asked him to vote for me. You are right, but I was two metres away. If necessary, you may declare my vote void.

(Applause)

President. — I think your explanation is satisfactory. Thank you, Mrs Maij-Weggen.

(...)

Paragraph 64: Amendments Nos 212, 336 and 351

Mr Curry, rapporteur. — Amendment No 212 amplifies the text.

I am against the other two.

(...)

Paragraph 65: After the rejection of Amendment No 214.

Mr Griffiths. — Mr President, by refusing to adopt this amendment we are now voting on a paragraph which is asking us to express an opinion which does not yet exist in a final form. I appeal to the House not to vote for this, because it can't be right and proper, according to our Rules, that we vote on something which does not yet exist.

President. — Mr Griffiths, it is a paragraph proposed by the competent parliamentary committee and the Assembly can do with that paragraph what it wants.

Mr Griffiths. — Mr President, now that we have voted to accept a draft opinion, though we don't yet know what it is going to be, I would ask you to refer to the Committee on the Rules of Procedure and Petitions the legality of including in our motions for resolutions references to draft opinions which don't yet exist in a final form.

President. — The problem is that the Committee on Agriculture is responsible for what it is proposing, and the Committee on the Rules of Procedure and Petitions cannot change it.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, would you

von der Vring

please confirm to Mr Griffiths that this vote has nothing whatever to do with logic but that COPA is using steam-roller tactics to safeguard its interests?

(Laughter and applause)

President. — I call Mr Gautier.

Mr Gautier. — *(DE)* Would you point out to the House that what we have just voted on is not due to be discussed for the first time in the Committee on Agriculture until next week?

(...)

After paragraph 66: Amendments Nos 243, 110, 67 and 29

Mr Curry, rapporteur. — My difficulty, Mr President, is to know whether or not the vote we take on these will govern the votes which will take place in the Committee on Agriculture next week.

In answer to your specific question, I am against all of them.

(...)

After paragraph 67: Amendments Nos 354, 109, 242, 138, 139, 217, 218, 219 and 355

Mr Curry, rapporteur. — The committee expressed the clear opinion, both in the wine sector and in the fruit and vegetables sector, that it did not wish to discuss details of the regime in connection with the price proposals. Therefore, I am obliged to recommend a vote against all of these amendments, Mr President.

(...)

After paragraph 68: Amendments Nos 30, 222 and 345

Mr Curry, rapporteur. — I was reproved by the Committee on Agriculture for entering into the details of the regime in the course of the price proposals. Therefore, not wishing the Parliament to repeat the mistake, I must be against all these amendments.

(...)

Paragraph 70: Amendments Nos 42 and 358

Mr Curry, rapporteur. — I imagine Amendment No 42 is to simplify the text, Mr President. I leave the House to decide on Mr Kyrkos's amendments.

(...)

President. — I call Mr Cottrell on a point of order.

Mr Cottrell. — Mr President, would you give a ruling from the chair requesting Members of this House not to instruct or ask other Members to vote for them? The occupant of seat 347 has just asked Mr McCartin to vote for him. Mr McCartin, to his credit, properly refused. But will you give an instruction, Mr President, that Members do not indulge in this practice?

President. — Yes, but I would prefer very much that during the vote Members sit in their seat and vote themselves. I think that should be the normal rule of the House.

(Laughter and applause)

Mr Cottrell. — That does not quite deal with the point I made. Would you instruct Members of the House not to ask other Members to vote for them? That is the point!

President. — It is completely superfluous to make such a request, because the Members know that full well.

(...)

Paragraph 71: Amendments Nos 111 and 244

Mr Curry, rapporteur. — This may differ from the committee text. I must be against them.

President. — I call Mr Gautier.

Mr Gautier. — *(DE)* Mr President, could you perhaps also tell the Commission what decisions it should now be guided by, since last week we decided on exactly the opposite?

(...)

After paragraph 71: Amendments Nos 69, 253, 268, 142, 143, 339, 32 and 68/rev.

Mr Curry, rapporteur. — I will leave Amendment No 69 to the House. I am against Amendment No 253. I will leave Mr Cohen's amendment to the House. I am against Amendment No 142. I am against Amendment No 143. I am against Amendment No 339. And, if we have got there, I am against Amendment No 32.

(...)

Paragraph 75: Amendments Nos 341 and 364

Mr Curry, rapporteur. — I will leave the first to the House and reject the second.

(...)

After paragraph 76: Amendments Nos 226 and 293

Mr Curry, rapporteur. — The committee did not vote on Amendment No 226, so I leave it to the House and I am against Amendment No 293.

(...)

Paragraph 79: Amendments Nos 366, 115 and 245

Mr Curry, rapporteur. — I am against the first, and we did not consider the others in committee.

(...)

After paragraph 80: Amendment No 44

Mr Curry, rapporteur. — I approve the sentiment, but I am not sure how it squares with today's work, Mr President. The committee did not discuss it.

(...)

Paragraph 83: Amendments Nos 116 and 246

Mr Curry, rapporteur. — I will leave it to the House, Mr President.

(...)

After paragraph 85: Amendments Nos 45, 224 and 229

Mr Curry, rapporteur. — I am in favour of Amendment No 45. We did not discuss the subject-matter of Amendment No 224 in committee.

(...)

After paragraph 86: Amendments Nos 4 and 225

Mr Curry, rapporteur. — I leave them both to the House.¹

¹ In addition, the rapporteur spoke, on behalf of the Committee on Agriculture,
— in favour of Amendments Nos 158, 51, 304, 333, 107, 241, 264, 206, 338, 154, 155 and 329, and
— against Amendments Nos 295, 297, 167, 126, 347, 298, 168, 127, 6, 171, 309/rev., 95, 231, 153, 310, 7, 46, 172, 173, 174, 302, 8, 175, 176, 124, 247, 37, 348, 177, 47, 73, 307, 9, 129, 179, 48, 130, 118, 11, 237, 3, 182, 103, 183, 249, 185, 184, 191, 161, 305, 238, 54, 277, 12, 162, 239, 278, 186, 74, 326, 55, 131, 33/rev., 96, 97, 13, 104, 188, 327, 279, 14, 36, 312, 189, 57, 132, 15, 258, 192, 317/rev., 330, 58, 316, 16, 59, 18, 195, 260, 315, 196, 261, 262, 197, 98, 20, 311/rev., 199, 265, 120, 266, 99, 314, 121, 200, 201, 202, 318, 133, 263, 267, 203, 60, 306, 122, 108, 204, 21, 61, 134, 319, 22, 207, 282, 283, 75, 23, 284, 208, 209, 62, 24, 63, 136, 285, 76, 77, 286, 64, 100, 288, 137, 352, 65, 66, 215, 353, 213, 214, 289, 25, 216, 26, 290, 337, 356, 291, 141, 31, 221, 101, 140, 223, 359, 34, 112, 234, 340, 360, 144, 145, 146, 113, 235, 361, 362, 363, 292, 114, 236, 147, 43, 342, 365, 148, 149, 346, 150, 294, 70, 151, 343, 49, 50, 33, 40, 102, 71, 27, 28, 72, 156, 322/rev., 368.
(These amendments are listed in the order of voting.)

(...)

President. — I can now give the floor for explanations of vote.

Sir Henry Plumb. — Mr President, you have had quite a marathon of a morning, and I congratulate you on the way you have conducted the business.

(Applause)

In view of the lateness of the hour and also of the fact that we understand there is a strike in Belgium which is causing some transport problems, might I suggest that we take a vote on the resolution as a whole now before we take the explanations of vote?

(Applause)

I understand, Mr President, that there are some 70-odd requests for explanation of vote, which is going to take some considerable time. That being so, I put the motion to the House, and I understand it has fairly widespread support.

(Applause)

President. — Sir Henry, I would be very glad if the House were to follow your suggestion, but I can't take a vote on it, because such a vote would be contrary to the Rules, and the Rules must be respected. I can only ask Members to give their explanations of vote after the vote, but as long as there is even one Member insisting that he wants to explain his vote before the vote, then he has a perfect right to do so. If Members who have to give an explanation of vote indicate to me that they are satisfied to do it afterwards, we can vote immediately. So Members are invited to do so.

I call Mr Dalsass.

Mr Dalsass. — (DE) I am prepared to give my explanation of vote after the vote has taken place.

President. — Then you can only give it in writing.

Mr Dalsass. — (DE) I have not prepared it in writing and therefore cannot hand it in. So do I have to make my explanation of vote now or can I do so later? What is the time-limit for giving it in writing? If you gave me a little time, I should certainly be prepared to give it in writing in order not to hold up the proceedings.

(Applause)

President. — You can hand in a written explanation of vote at any time until the end of the sitting — that is to say, until about 2 p.m.

Mr Dalsass. — (DE) Mr President, since I do not know how long this is going to go on, may I tell you now that I am satisfied with the outcome and therefore will not be giving an explanation of vote.

(Laughter and applause)

President. — I call Mr Piquet.

Mr Piquet. — (FR) I think in fact one can hand it in in writing; that makes it easier for everyone.

President. — I call Mr Mouchel.

Mr Mouchel. — (FR) I agree to submitting explanations of vote in writing if that enables us to gain time.

President. — I call Mr Seligman.

Mr Seligman. — I am very happy to submit my explanation of vote in writing, provided you can read my writing.

President. — I call Mr Gautier.

Mr Gautier. — (DE) Mr President, together with my political friends from the SPD I shall be voting against this report, because we consider it is inappropriate and cannot be financed.

President. — I call the rapporteur.

Mr Curry, rapporteur. — Mr President, can you not ask those who would not be willing to do this to raise their hands and so avoid going down through a list of 70 people?

President. — I have drawn up a list — which has now been closed — on which a number of Members have been written down, and I have to ask them whether they want to explain their vote. It goes quicker this way anyhow than if we have to follow another procedure.

Mr Curry, rapporteur. — I will be as statesmanlike as I have been all through the part-session.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) I protest against our being put under pressure here. I accept the fact that it is now

too late to make any explanations of vote, but I think that if you put out the lights during the vote that will be a better reflection of the reality in Europe.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — (FR) Mr President, I simply wanted, at the end of this debate, to pay a tribute to David Curry for the excellence of his report. Even if we have some differences of opinion, I wish to tell him how remarkably well he has conducted our work.

(Applause)

Written explanations of vote

Mr Almirante. — (IT) Mr President, on behalf of the Italian Right, I wish to say that we are voting in favour of the report of the Committee on Agriculture presented by Mr Curry. We consider the proposals for Italian agriculture to be inadequate; but if we compare the Curry report with the unjust and, at times, ruthless attitude of the Members of the Commission who have come here to expound on what has very properly been termed 'the philosophy of privilege', we have to acknowledge that the Committee on Agriculture has spoken out clearly and courageously and taken some important steps forward.

The President of the Council also took a positive attitude when he said that a 'fair balance' must be established between Mediterranean agriculture and agriculture in northern Europe. This is the nub of the problem, Mr President. We are not looking for special or unfair advantages for Mediterranean agriculture. All we ask is that at least some of the privileges of agriculture in central and northern Europe should be removed. It is neither fair nor tolerable that the surpluses from those regions, particularly in the dairy sector, should be paid for by the European taxpayer, and not least the Italian taxpayer, while Mediterranean surpluses — namely, olives, citrus fruits, tomatoes and durum wheat — are destroyed.

As the rapporteur quite correctly said, there is at present a world food shortage, and while funds and food are being collected to combat world hunger, precious foodstuffs are being destroyed in the Mediterranean regions instead of being sent to help those who are dying of hunger and thirst. Surplus butter, cheese and milk are sold — to Soviet Russia, among other places — at reduced prices; citrus fruits are imported from third countries while in Italy and Greece citrus fruits, tomatoes and olive plants are destroyed; a wine war is being waged between Italy and France; and there is reluctance to allow Spain and Portugal into the EEC because of the fear that their accession will worsen the situation. All this, gentlemen of the Commission, amounts to a full-scale attack on the whole of Europe and not just Mediterranean Europe, because it is in

Almirante

this way that nationalistic impulses are justified and exacerbated.

We hope, therefore, that Parliament will adopt the proposals of the Committee on Agriculture, inadequate though they may be, and particularly the proposal which provides for at least some adjustment of agricultural prices to the rate of inflation. An increase of 16% could justifiably be requested for Italian agricultural products. It is therefore extremely difficult to understand how some can be opposed to even the partial adjustment proposed by the rapporteur and fail to realize that what they are asking for is a further intolerable penalization of agricultural products in the Mediterranean region.

Mr President, it is not, therefore, a question of protecting Mediterranean or Italian agriculture. It is a question of protecting the EEC from a crisis which could overthrow it and replacing a philosophy of privilege by a philosophy of equity.

Mrs Barbarella. — (IT) Mr President, not one of the points we considered essential in order to make the fixing of prices the occasion also for the launching of a reform of the common agricultural policy has been accepted. Indeed, the position which has emerged from the debate in this Assembly seems to us to be even more retrogressive than the guidelines and proposals of the Commission.

There has been a total rejection of the attempt to curb production in the cereals sector, and the provisions for the milk sector are completely inadequate.

The document on which we are about to vote seems to us to be a poor compromise which, on the one hand, makes no effort to deal with the surplus sectors and, on the other hand, by way of compensation, offers some minor advantages to Mediterranean agriculture.

With regard to prices, the line of simply fixing a figure has been accepted, despite the fact that at present the complexity of the agri-monetary measures and the uncertainty of the exchange-rates make it impossible to fix a price-level which would represent in reality a satisfactory rate of increase for all countries.

The uniformity of the mechanism in an increasingly divergent monetary situation revives and confirms all the existing disparities. Furthermore, while the price agreed offers undue privileges to some countries, it falls far short of the needs of others. This is why we feel it is our duty to vote against the text which has been discussed.

We should also like to express our regret that Parliament has failed to show the sense of responsibility which we feel to be essential in the serious crisis confronting the Community.

Mr Ephremidis. — (GR) We shall vote against the Curry report, because it simply widens the circle of those big-scale interests that are hidden behind the unacceptable proposals put forward by the Commission.

Our negative vote must be regarded as a protest and an accusation levelled against the common agricultural policy and against the Community in general, which, in this matter of agricultural prices, is working for the benefit of a group of big-scale interests which are hostile to the interests of the least-favoured sections, of which Greek farmers form a part.

We consider that our negative vote will help our government in registering its veto within the Council.

As regards the Greek farmers, whom you are condemning, by rejecting our amendments, to destroying their own produce, their representatives have been present in this Chamber and have followed the debate. They are resolved not to abandon their produce, and they hope to improve their living conditions. They will succeed in doing so by continuing to fight for the withdrawal of our country from the Community. Strengthened by the mandate we have received from the workers who sent us to this Parliament, and bearing in mind the considerations just mentioned, we shall vote against the Curry report.

Mr Eyraud. — (F) For the French Socialists, it is a matter of regret that the debate on agricultural prices should have taken place beyond the framework of the debate on the mandate of 30 May, which today is still not concluded. This means that it has taken place without a redefinition of the CAP, and that is inconsistent.

Most of our amendments have been rejected, and one is forced to conclude that a majority of the Members of this House reject Community preference. This, in its turn, amounts to a systematic refusal of all differentiation of prices, and we can only deplore the fact.

Nevertheless, since the primary concern of farmers at the moment is that prices should be fixed before 1 April, our vote implies acceptance of the 14%, in default of the 16.3% called for by the French Socialists.

It is our firm hope that the Council of Ministers will take account of this wish of the Parliament concerning price-levels and the dates when they should come into force.

Mr Marshall. — I will vote against the Curry report, because it fails to strike a balance between the interests of consumers and producers. The price increases it would cause would exacerbate inflationary pressures in the Community. Thus the price of a kilo of butter

Marshall

would rise by FF 3 in France.

The Community is still failing to tackle the problems of the dairy sector. Each cow in the Community costs Community taxpayers UKL 125. Solving this problem should become the chief objective of the Community.

My final reason for opposing this report is that it threatens the future of the Community. Until the CAP ceases to consume such a high proportion of our resources, it will not be possible for us to develop other policies. Yesterday we celebrated the twenty-fifth birthday of the Community in a sense of sober realism recognizing the need for our Community to receive a boost. That boost will come only if we can develop a new spirit and new policies. This we can do only if the CAP consumes less of our resources.

Let us vote not for a sectional interest but for the future of the Community and the health of its consumers!

Mr Piquet. — (FR) We are guided in our vote by one concern and one concern alone: the position of French farmers and the future of agriculture generally.

It must be said that Community policy, backed by decisions taken by previous French governments, resulted in a continuous decline in farmers' incomes from 1973 to 1981.

In this debate, we have expressed our conviction that, to permit the development of a modern agricultural industry, it is necessary and budgetarily possible to put a stop to this trend in 1982:

- by increasing prices by 16%,
- by abolishing compensatory amounts,
- by paying greater heed to Community preference,
- by rejecting any form of co-responsibility and taxation of products.

Despite some reservations, particularly regarding monetary compensatory amounts, we shall therefore vote for the Curry report,

- because it proposes a 14% increase, which may amount to 16% in France,
- because it proposes the abolition of the co-responsibility levy on milk and rejects the extension of co-responsibility,

and because it represents an appreciable step towards meeting the requirements of French farmers and alleviating the concern felt by the French Government.

Mr Plaskovitis. — (GR) Mr President, the Curry report in its modified form after the adoption of the

amendments, lays down an average increase of 14% in the price of agricultural produce, at a time when the rate of inflation in my country is in excess of 25%. Already, the new Socialist government is making great efforts to reduce this inflation rate, but of course it will take time to achieve a satisfactory result. We will not, and do not, ask that all agricultural produce in all the countries be subject to increases of the order of 25%, but we do consider it essential to provide for parallel support measures for Greek agriculture and more generally for Mediterranean produce, measures of a specific nature that correspond to the particular features of the Greek economy and to the serious problems encountered by Greek farmers, in order to prevent a reduction of their income and so avoid any further abandonment of the land, with increasing unemployment due to the influx of young peasant population into the urban centres. Unfortunately, the Curry report contains no substantial measure, apart from vague promises, and for this reason we are obliged to announce that we shall abstain from voting.

Mrs Seibel-Emmerling. — (DE) The decisions taken by this House today are disastrous. They will not only ruin the budget of the Community: this irresponsible incitement to increase overproduction will mean further irreversible damage to the environment and a threat to the health of the people. Consumers in the Community will be hard hit. These decisions run counter to the mandate we have clearly been given by our constituents to adopt a new, responsible course for agricultural policy after all these years.

On this black Friday for the Community's environmental, health and consumer policies, I shall vote 'no'.

Mr Seligman. — I personally shall vote against the resolution, because if it were adopted by the Council, a 14% rise would cause a major increase in the price of food.

This would reduce consumption and increase production. It would increase surpluses!

This, in turn, would greatly increase the cost of the CAP.

With the present budgetary system, this would increase the contributions that Germany and Britain have to pay.

No wonder the British Government wants a new mechanism for financing the Community!

Throughout the debates this week, Britain has been accused of demanding *juste retour*.

This is not true!!

What we ask for is a fair sharing of the cost of the Community, not *juste retour*, but *partage équitable*.

Seligman

If this is achieved next week, Britain's whole attitude will change and the Community will move forward again into the next 25 years.

Mr Vergès. — (FR) With regard to the vote on the resolution on farm prices, I should like to say the following about my vote in favour.

By proposing a general average increase of 14% in the Community's farm prices, or 15.8% for France, the European Parliament is responding to the demands of the farmers of Europe, whose purchasing power has been declining for many years. It is similarly responding to the demands of cane-sugar producers of the French departments in the Indian Ocean and the Caribbean.

But apart from this decision on the price of sugar, agriculture in these overseas departments, the mainstay of their economies, is not affected by Parliament's resolutions, the Commission's proposals or the Council's decisions.

Fixing the reference price of *beet* sugar at the same level as the price of *cane* sugar takes no account of the real cost of producing *sugar cane*. Similarly, the production of rum, of geranium and vetiver oils, vanilla, market-garden crops, particularly aubergines, fruit, such as pineapples and bananas, and flowers is not considered. This is an enormous deficiency at a time when the economies of these countries are completely integrated into the common market and an aberration at a time when the Community budget is involved in the financing of vast reorganization plans to promote the growing of products not protected within the Community.

To conclude, I should like to express my satisfaction at the call in the resolution for the same price to be fixed for Community and ACP sugar. This will ensure a minimum of fairness and prevent the discrimination that occurred at the beginning of the 1981 marketing year. But I have very grave reservations about the proposal for the abolition of annual negotiations on ACP sugar if it is to be taken that this paragraph of the resolution also refers to conditions relating to the storage, transport, supply, etc. of ACP sugar, as this would conflict with the EEC-ACP sugar protocol.

Sir Fred Warner. — Alone in my group today, I voted for the 14% increase in prices. I cannot now, however, vote for the resolution which embodies that figure.

First, a certain specific majority of the Members here have divided the agricultural community from top to bottom today. In the narrowest sectional interest, they voted against the interests of the industry as a whole. For instance, while constantly complaining about the co-responsibility levy, they voted for its retention. And why? — in order to give a narrow competitive advan-

tage to the Irish or the Bavarian farmer over his British, Dutch or Danish counterparts.

The same majority have set aside the General Agreement on Tariffs and Trade. They have set aside the Lomé Agreement. I have watched with fascination the majority of French Members in this House voting repeatedly against the interests of every Francophone territory in the world. You must know that frivolous votes of this kind to reject major international agreements are totally without effect and, indeed, quite ridiculous.

What the proceedings have shown is that our Agricultural Committee is no longer functioning properly. That committee, I believe, is the most important we have in this Parliament. We rely on it to produce a sensible draft resolution each year on farm prices. We rely on its members to carry the other members of their groups in the plenary sittings. That has not happened today. The resolution as it stands invites the Council of Ministers to reject with ridicule the views of this Parliament. Those who have put us in this position are the real enemies of the common agricultural policy. I shall therefore vote against the resolution.

Mr Welsh. — By voting for paragraph 35 of the Curry report, Parliament has requested the Community to abrogate an international agreement — the GATT — and renege on its commitments under the Lomé Convention. Parliament also rejected amendments designed to draw attention to these international obligations, thus indicating that they are held in contempt.

Either people did not understand what they were doing, which was irresponsible, or they did, in which case it was contemptible. By its action Parliament has forfeited all right to be considered as a serious political body: by behaving in a totally irresponsible manner, it has devalued its authority and its claim to influence.

Because I value the role of Parliament and have confidence in its future, I cannot vote for the Curry report.

(Parliament adopted the resolution)

*

* *

President. — We proceed to the Hopper report on the present position with regard to the mandate of 30 May 1980 (Doc. 1-1/82).

First indent of the preamble: Amendment No 29

I call Mr Deleau.

Mr Deleau. — (FR) Mr President, pursuant to Rule 71, we ask that you establish whether there is a quorum.

President. — There is a quorum. It was established at the moment it was requested.

(...)

After the vote on Amendment No 29

Mr Galland. — (FR) Mr President, I am sorry to have to refer you to the Rules of Procedure again. You have told us that it was established at the time of the first vote that a quorum exists. I wish to point out that, pursuant to Rule 71, this is not the case.

We do not have a quorum. We had a quorum for the last vote on the Curry report, but we do not have a quorum for the Hopper report.

I am very sorry. I would ask you to refer to Rule 71 once again and check the result, as I have done.

President. — Mr Galland, there is in fact a difficulty with the interpretation of Rule 71, a difficulty which is at present under discussion in the Committee on the Rules of Procedure and Petition, since this rule implies a certain contradiction or at least a difficulty of interpretation.

This rule clearly states that I have to ascertain whether a quorum is present on the basis of the numbers present in the Chamber at the moment when the request was made. These numbers, this quorum, I was able to ascertain a short while ago.

Then there is a vote — and this is the problem you are now raising — which indicates that there is no quorum and that the vote is not valid. As a result of this vote, which took place on the basis of the fact that I had ascertained the existence of a quorum — for otherwise it could not have taken place — the remainder of the vote is deferred to the sitting of Monday, 19 April 1982.

I call Mr Cottrell.

Mr Cottrell. — Mr President, you established that a quorum exists.

President. — I call Mr Forth.

Mr Forth. — Mr President, I have to point out to you that the method that you have used to establish the quorum is defective, because certain Members who are in the Chamber and in their places simply do not use the electronic vote, and I must submit to you, Mr President, that you cannot use this device. It was tried on the Friday of the last part-session when one of your Vice-Presidents was in the Chair, and it simply is not adequate. Given how close we were on the electronic

vote, plus the people who did not vote, I suspect that the quorum is here.

(Cries of 'Hear, hear!')

President. — Mr Forth, your argument is logical. The problem is that the Rules are not so logical and that I have to establish whether a quorum is present on the basis of the people present in the Chamber at the moment the request is made, so that also those who are, for instance, not participating in a vote at that moment are counted in the quorum. You then proceed to the vote, because the quorum has been established. At that moment you are able to proceed to the vote, but then there is a further check: you need a quorum for that vote, and Mr Galland rightly indicates that on the basis of the Rules we see at that moment that we have to drop the item on the agenda and postpone it to the next part-session.

This matter is now before the Committee on the Rules of Procedure and Petitions for interpretation, because it indicates that there is a problem.

I call Mr Rogers.

Mr Rogers. — Mr President, everything that you have said is absolutely right, but the Minutes will record, I am sure, the fact that you declared that there was a quorum, and you did so on the basis of assessing the number of people in the House at the time the quorum was asked for. Now, as you, as President of the Assembly, have declared a quorum, that should then carry through, and it always has before. If at any time during the vote on a particular issue there are not enough Members present, then it is not possible to challenge the quorum again. I would suggest that the people who challenged the quorum did so too early, because you were absolutely right in declaring a quorum and you cannot then check the number of people who vote on every issue. What has happened is simply that some people did not want to vote on a particular issue; but that does not dis-establish the quorum which you have already declared. You did declare it; it is in the Minutes; we have a quorum, and I think we should proceed.

(Applause)

President. — Well, Mr Rogers, I think I should read out Rule 71 again. It says in paragraph 2:

A quorum shall exist when one-third of the current Members of Parliament are present in the Chamber.

They were clearly present: that is why I said the quorum exists.

Then you go on to paragraph 3, which says: 'All votes shall be valid whatever the number of voters, unless

President

the President, on a request made before the voting has begun' — and that request also has been made — 'by at least ten Members' — it was made by a political group: I assumed, perhaps incorrectly, that that was a request by at least 10 Members — 'ascertains at the moment of voting that a quorum is not present.' That was the outcome of the vote; and that would automatically lead to a postponement of the votes on the Hopper report to the next sitting. That is the logical consequence, even if the Rule is not the biggest beauty in the world.

I call Mr Robert Jackson.

Mr R. Jackson. — Mr President, we have not really finished the previous proceedings on the agricultural prices. I would like to hear a statement from the Commissioner as to what he thinks about this resolution. I saw him trying to catch your eye. I think the House is entitled to hear from him what the Commission's reaction to our vote is.

President. — Mr Jackson, I asked for a statement by the Commission at the moment when the regulations were voted on, and then I got no statement. I think it is a little difficult to do it after the vote on the resolution, because we have already proceeded to the next item, and that is the Hopper report.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, if two rules of the Rules of Procedure so obviously contradict each other, the President must try to get at the reason underlying them and take a decision as he sees fit, because there is a difference between the President interpreting the Rules of Procedure and Parliament taking decisions. Parliament has the right to decide nonsense, but the President must think carefully whether he cannot take a reasonable decision.

President. — Mr von der Vring, we had a similar case during the March part-session, when two occupants of the Chair gave two different interpretations, whereupon the matter was referred to the Committee on the Rules of Procedure and Petitions. Here, however, it is not a matter of mere interpretation: this text contains two elements that conflict with one another, and that we cannot get over merely by means of interpretation. When Mr Galland says that as a result of the vote we cannot carry on voting, he is right.

I call Mr Prout.

Mr Prout. — Mr President, I am sorry to return to this question of Rule 71 again, but it is quite important to understand exactly how far the Committee on the

Rules of Procedure and Petitions has already gone in interpreting this rule.

If you look at Rule 71(3), you will see that underneath the text is an interpretation and the interpretation says: 'A request that it be ascertained whether the quorum is present must be made by at least ten Members.' Then it goes on to say: 'A request on behalf of a political group is not admissible.'

Well, Mr President, it has always been the custom in this House that when one Member asks for a quorum the ten Members who are supporting him stand up and support him. No such procedure was gone through; so it seems to me that everything that has happened from the moment Mr Deleau stood up is invalid.

(Applause)

President. — Mr Prout, I have a request for a quorum which has all the signatures requested in conformity with Rule 71 of the Rules of Procedure. That request is there. On the basis of that request . . .

Mr Prout. — Mr President, first of all, the ten Members have to stand up at the time the request is made. Now if you are saying to me that that piece of paper was in front of you at the moment when Mr Deleau made his request, then why did you not make the announcement to the House at the time? It would be interesting, Mr President, to see whether those ten Members are still here.

President. — Mr Prout, it makes no sense to go on with this discussion. It is simply not stated in Rule 71 that the Members have to stand up. The only stipulation made is that I need ten Members.

I call Mr Deleau.

Mr Deleau. — *(FR)* Mr President, I think your interpretation is perfectly correct. I did not ask you, I should like to point out to the previous speaker, to ascertain whether there was a quorum on behalf of my group. I made this request at the time of the first vote on behalf of the ten Members whose names and signatures are on the list you have in your hands. At the time I made my request, those ten Members were present in the Chamber.

President. — I call Mr Radoux.

Mr Radoux. — Mr President, leaving aside procedural questions, I must say I find it deeply regrettable that Mr Hooper's report on the mandate of 30 May cannot be put to the vote today.

Radoux

The Ministers will be meeting in a week's time, and Parliament has said nothing. This is deplorable. If we deliver our opinion in April, we shall be doing so after the Ministers have taken or failed to take, a decision. What we should have done today is to say what Parliament wants.

President. — Mr Radoux, I share your regret that it has not been possible to complete the vote on the Hopper report, but those who wanted to interrupt it were perfectly within their rights. The Rules of Procedure give them this possibility, given the insufficient number of Members present.

I call Mr Fanti.

Mr Fanti. — *(IT)* I wish my protest to be recorded also. At the moment ten Members requested the establishment of a quorum, the President replied that the quorum was present. As far as I was concerned, that was the end of the matter, and it seems to me that our efforts to adopt a position before the European Council have been sabotaged by those who are opposed to that position. That is the political conclusion I must draw.

(Applause)

President. — The vote on the Hopper report will accordingly be entered on the agenda for the Monday of the April part-session.¹

2. Time-limit for tabling amendments

President. — I propose that we set the time-limit for tabling amendments to all the items entered on the draft agenda for the next part-session at 12 noon on Friday, 16 April 1982, it being understood that the time-limits set for the reports held over from this part-session remain in force.

I call Mr Kellett-Bowman.

Mr Kellett-Bowman. — Mr President, I am sure that those Members who are listening to you will agree what you have just proposed. The problem is that those Members who are not aware of what you have proposed, when it comes to the time-limit for tabling amendments, find themselves without proper information and unable to put down amendments. How can you make sure that Members are informed of that decision?

President. — Mr Kellett-Bowman, it will in any case be put in the Bulletin, and the Members all receive that Bulletin and can read it.¹

3. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

*(The sitting closed at 1.30 p.m.)*¹

¹ For motions for resolutions entered in the register under Rule 49, see the Minutes.

¹ For details concerning the forwarding of resolutions adopted during the sitting and the dates for the next part-session, see the Minutes.

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